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STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, FEBRUARY 9, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Delton Krueger, House Chaplain.

Speaker Vanasek introduced the new House member, Dale DeRaad, from District 30B and announced that he had previously been administered the oath of office and that his election certificate was on file. He was elected in an election held on November 3, 1987, following the resignation of Jerry Schoenfeld dated September 2, 1987.

Speaker Vanasek introduced the new House member, Andrew J. Dawkins, from District 65A and announced that he had previously been administered the oath of office and that his election certificate was on file. He was elected in an election held on November 3, 1987, following the resignation of Fred C. Norton dated June 25, 1987.

The roll was called and the following members were present:

Anderson, G.	Dawkins	Jefferson	Long	Olson, K.
Anderson, R.	DeBlieck	Jennings	Marsh	Omamm
Battaglia	Dempsey	Jensen	McDonald	Onnen
Bauerly	DeRaad	Johnson, A.	McEachern	Orenstein
Beard	Dille	Johnson, R.	McKasy	Osthoff
Begich	Dorn	Johnson, V.	McLaughlin	Otis
Bertram	Forsythe	Kahn	McPherson	Ozment
Bishop	Frederick	Kalis	Milbert	Pappas
Blatz	Frerichs	Kelly	Miller	Pauly
Boo	Greenfield	Kelso	Morrison	Pelowski
Brown	Gruenes	Kinkel	Munger	Peterson
Burger	Gutknecht	Kludt	Murphy	Poppenhagen
Carlson, D.	Hartle	Knickerbocker	Nelson, C.	Price
Carlson, L.	Haukoos	Knuth	Nelson, D.	Quinn
Carruthers	Heap	Kostohryz	Nelson, K.	Redalen
Clark	Himle	Krueger	O'Connor	Reding
Clausnitzer	Hugoson	Larsen	Ogren	Rest
Cooper	Jacobs	Lasley	Olsen, S.	Rice
Dauner	Jaros	Lieder	Olson, E.	Richter

Riveness	Schreiber	Sparby	Tompkins	Waltman
Rodosovich	Seaberg	Stanius	Trimble	Welle
Rose	Segal	Steensma	Tunheim	Wenzel
Rukavina	Shaver	Sviggum	Uphus	Winter
Sarna	Simoneau	Swenson	Valento	Wynia
Schafer	Skoglund	Thiede	Vellenga	Spk. Vanasek
Scheid	Solberg	Tjornhom	Wagenius	

A quorum was present.

Bennett, Minne, Neuenschwander, Quist and Voss were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Himle 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.

The Speaker announced that the next order of business was the election of an Assistant Postmaster.

ELECTION OF OFFICER

The following name was placed in nomination:

The name of Song K. Kong was placed in nomination for Assistant Postmaster by Trimble.

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

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

Anderson, G.	Forsythe	Knickerbocker	Olson, K.	Scheid
Anderson, R.	Frederick	Knuth	Omann	Schreiber
Battaglia	Frerichs	Kostohryz	Onnen	Seaberg
Bauerly	Greenfield	Krueger	Orenstein	Segal
Beard	Gruenes	Larsen	Osthoff	Shaver
Begich	Gutknecht	Lasley	Otis	Simoneau
Bertram	Hartle	Lieder	Ozment	Skoglund
Bishop	Haukoos	Long	Pappas	Solberg
Blatz	Heap	Marsh	Pauly	Sparby
Boo	Himle	McDonald	Pelowski	Steensma
Brown	Hugoson	McEachern	Peterson	Sviggum
Burger	Jacobs	McKasy	Poppenhagen	Swenson
Carlson, D.	Jaros	McLaughlin	Price	Thiede
Carlson, L.	Jefferson	Milbert	Quinn	Tompkins
Carruthers	Jennings	Miller	Redalen	Trimble
Clark	Jensen	Morrison	Reding	Tunheim
Clausnitzer	Johnson, A.	Munger	Rest	Uphus
Cooper	Johnson, R.	Murphy	Rice	Valento
Dauner	Johnson, V.	Nelson, C.	Richter	Vellenga
Dawkins	Kahn	Nelson, D.	Riveness	Wagenius
DeBlieck	Kalis	Nelson, K.	Rodosovich	Waltman
Dempsey	Kelly	O'Connor	Rose	Welle
DeRaad	Kelso	Ogren	Rukavina	Wenzel
Dille	Kinkel	Olsen, S.	Sarna	Winter
Dorn	Kludt	Olson, E.	Schafer	Wynia
				Spk. Vanasek

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

OATH OF OFFICE

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

House File Nos. 1689 through 1738 were pre-filed with the Speaker during the recess, given a file number and unofficially referred to committee pursuant to House Rule 5.11. Following is the official introduction and committee reference:

Clark, McLaughlin, Riveness, Rest and Johnson, A., introduced:

H. F. No. 1689, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Steensma, Milbert, Vellenga, Krueger and Knuth introduced:

H. F. No. 1690, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Olsen, S.; Sviggum; Onnen and Redalen introduced:

H. F. No. 1691, A bill for an act relating to taxation; income; providing that a contingent tax increase is effective only for tax year 1988; amending Laws 1987, chapter 268, article 18, section 5.

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

McEachern introduced:

H. F. No. 1692, A bill for an act relating to taxation; property; classifying certain utility property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision.

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

Uphus; Johnson, V.; Dille; Anderson, G., and Beard introduced:

H. F. No. 1693, A bill for an act relating to taxation; repealing the tax on petroleum and special fuels used by barges; repealing Minnesota Statutes 1986, sections 296.02, subdivision 2b, as added; and 296.025, subdivision 2b, as added.

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

Olsen, S.; Stanius; Tompkins; Gruenes and Frerichs introduced:

H. F. No. 1694, A bill for an act relating to taxation; income; providing indexing of tax brackets for taxable years beginning after December 31, 1988; amending Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2d.

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

Olsen, S.; Stanius; Tompkins; Gruenes and Frerichs introduced:

H. F. No. 1695, A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Olsen, S.; Stanius; Tompkins; Gruenes and Frerichs introduced:

H. F. No. 1696, A bill for an act relating to taxation; property tax

refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

Segal introduced:

H. F. No. 1697, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Olsen, S.; Sviggum; Morrison; Ozment and Onnen introduced:

H. F. No. 1698, A bill for an act relating to taxation; sales; exempting nonprescription drugs and health products; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

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

Shaver introduced:

H. F. No. 1699, A bill for an act relating to taxation; property; expanding eligibility for class 1b property; amending Minnesota Statutes 1986, section 273.13, subdivision 22.

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

Johnson, V., introduced:

H. F. No. 1700, A bill for an act relating to taxation; allocating motor vehicle excise tax; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

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

Rest, Wagenius and Vellenga introduced:

H. F. No. 1701, A bill for an act relating to family law; making surrogate mother agreements void and unenforceable; prohibiting advertisements for surrogate mothers; prohibiting the arranging of surrogate mother agreements; proposing coding for new law in Minnesota Statutes, chapters 257 and 259.

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

Rest introduced:

H. F. No. 1702, A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Rest and Welle introduced:

H. F. No. 1703, A bill for an act relating to taxation; individual income; allowing a subtraction for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Voss, Segal, Skoglund, Riveness and Otis introduced:

H. F. No. 1704, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Simoneau, Rice and Welle introduced:

H. F. No. 1705, A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; appropriating money; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 7; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 349.212, by adding a subdivision; 361.03, subdivision 5; 361.27; and 473.606, subdivision 1; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 7 and 10.

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

Schreiber, Boo, Hartle, Dille and McPherson introduced:

H. F. No. 1706, A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Olson, E.; Battaglia; Lieder; Nelson, C., and Begich introduced:

H. F. No. 1707, A bill for an act relating to retirement; authorizing combined service annuities for volunteer firefighters; amending Minnesota Statutes 1986, section 424A.02, by adding a subdivision.

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

Carlson, D., introduced:

H. F. No. 1708, A bill for an act relating to taxation; income; extending the pension exclusion to recipients of federal law enforcement officers' pensions under age 65.

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

Simoneau, Rice and Knickerbocker introduced:

H. F. No. 1709, A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

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

Vellenga, Wagenius, Quinn, Kelly and Blatz introduced:

H. F. No. 1710, A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

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

McDonald and Wenzel introduced:

H. F. No. 1711, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Simoneau; Johnson, A.; Jaros; Orenstein and Olson, K., introduced:

H. F. No. 1712, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

O'Connor, DeBlieck, Dauner, Begich and Pelowski introduced:

H. F. No. 1713, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Scheid and Osthoff introduced:

H. F. No. 1714, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Jacobs, Trimble, Jefferson, Peterson and Greenfield introduced:

H. F. No. 1715, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Haukoos, Munger, Rose, Jennings and Knuth introduced:

H. F. No. 1716, A bill for an act relating to the environment; prohibiting the sale of certain plastic containers; providing penalties; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Dorn and Dawkins introduced:

H. F. No. 1717, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Morrison, Frerichs and McKasy introduced:

H. F. No. 1718, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

Carlson, D., and Schafer introduced:

H. F. No. 1719, A bill for an act relating to game and fish; prohibiting the use of meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425.

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

Long introduced:

H. F. No. 1720, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

McEachern and Sarna introduced:

H. F. No. 1721, A bill for an act relating to insurance; accident and health; requiring coverage for hearing instruments when prescribed by a physician; amending Minnesota Statutes 1987 Supplement, section 62E.06, subdivision 1; 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.

DeRaad and Haukoos introduced:

H. F. No. 1722, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims with interest;

removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

DeRaad and Haukoos introduced:

H. F. No. 1723, A bill for an act relating to taxation; individual income; allowing a subtraction for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Murphy, by request, and Ogren introduced:

H. F. No. 1724, A bill for an act relating to state government; adopting the blueberry muffin as the Minnesota state muffin; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Olson, E., introduced:

H. F. No. 1725, A bill for an act relating to traffic regulations; allowing haulers of timber products to carry increased axle loads under certain circumstances; amending Minnesota Statutes 1986, section 169.825, by adding a subdivision.

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

McKasy introduced:

H. F. No. 1726, A bill for an act relating to health; requiring appropriate temperature control in nursing homes; amending Minnesota Statutes 1986, section 144A.08, by adding a subdivision.

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

McPherson and Swenson introduced:

H. F. No. 1727, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

Skoglund introduced:

H. F. No. 1728, A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 82B.

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

Johnson, R., introduced:

H. F. No. 1729, A bill for an act relating to transportation; requiring railroad companies to provide a minimum number of personnel when operating certain trains; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 219.

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

Blatz introduced:

H. F. No. 1730, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

Murphy introduced:

H. F. No. 1731, A bill for an act relating to intoxicating liquor; exempting new municipal liquor stores from vote on discontinuance

for failure to show a profit; amending Minnesota Statutes 1986, section 340A.602.

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

Jacobs introduced:

H. F. No. 1732, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

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

Dempsey introduced:

H. F. No. 1733, A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

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

Dempsey introduced:

H. F. No. 1734, A bill for an act relating to taxation; allocating proceeds of the motor vehicle excise tax; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

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

Dempsey introduced:

H. F. No. 1735, A bill for an act relating to human services; requiring the commissioner to publish and update a medical transportation services handbook for providers who participate in the medical assistance program; amending Minnesota Statutes 1986, section 256B.04, subdivision 12.

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

Lasley, Kinkel; Nelson, C., and Carlson, D., introduced:

H. F. No. 1736, A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

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

Dempsey and Bertram introduced:

H. F. No. 1737, A bill for an act relating to taxation; liquor; increasing the tax credit for qualified brewers of fermented malt beverages; amending Minnesota Statutes 1986, section 297C.02, subdivision 3.

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

Anderson, R., and Ogren introduced:

H. F. No. 1738, A bill for an act relating to health; requiring continuation or conversion of benefits in the event a health maintenance organization cancels its operation in a designated service area or areas; providing for notice of cancellation; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; and 62D.09, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62E.14, subdivision 3.

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

The following additional House Files which were not pre-filed pursuant to House Rule 5.11 were introduced for the 56th legislative day:

Otis, Long and Skoglund introduced:

H. F. No. 1739, A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

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

Vellenga, Wagenius and Swenson introduced:

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

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

O'Connor introduced:

H. F. No. 1741, A bill for an act relating to consumer protection; prohibiting the resale of liners used in flotation bedding; prescribing penalties; 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.

Johnson, A.; Nelson, C.; Rest; McEachern and Kelso introduced:

H. F. No. 1742, A bill for an act relating to education; providing for teacher preparation time; 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.

Begich introduced:

H. F. No. 1743, A bill for an act relating to the city of Eveleth; authorizing benefit increases for certain retired police officers, firefighters, and their surviving spouses.

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

Begich introduced:

H. F. No. 1744, A bill for an act relating to tax-forfeited land; authorizing private sale 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.

Knuth, by request, introduced:

H. F. No. 1745, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes.

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

Kostohryz and Dauner introduced:

H. F. No. 1746, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

McLaughlin; Skoglund; Nelson, K.; Long and Jefferson introduced:

H. F. No. 1747, A bill for an act relating to taxation; property; allowing leasehold cooperatives to claim homestead treatment on behalf of their members; amending Minnesota Statutes 1986, section 273.124, subdivision 6.

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

Carlson, D., introduced:

H. F. No. 1748, A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

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

Kalis; Carlson, D.; Lieder; Jensen and Seaberg introduced:

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987

Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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

Kalis; Carlson, D.; Lieder; Jensen and Seaberg introduced:

H. F. No. 1750, A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

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

Long, McLaughlin and Nelson, K., introduced:

H. F. No. 1751, A bill for an act relating to state finances; providing for the cancellation of combined sewer overflow loan repayments to the state by the city of Minneapolis upon certain conditions.

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

Kelso introduced:

H. F. No. 1752, A bill for an act relating to real property; mandating that city of Savage is owner in fee simple of title to certain land.

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

Olsen, S., and Bennett introduced:

H. F. No. 1753, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

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

Kelly, Wagenius, Peterson, Vellenga and Bishop introduced:

H. F. No. 1754, A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 5, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivision 2.

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

Lasley, Riveness, Wagenius, Kelso and Rest introduced:

H. F. No. 1755, A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

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

Simoneau introduced:

H. F. No. 1756, A bill for an act relating to capital improvements; providing for improvements at the Anoka-Ramsey Community College; authorizing sale of state bonds; appropriating money.

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

DeBlieck, Winter, Brown and Wenzel introduced:

H. F. No. 1757, A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money.

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

O'Connor introduced:

H. F. No. 1758, A bill for an act relating to environment; appropriating money to the waste management board to study certain uses of waste tires.

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

Bauerly; McEachern; Johnson, A.; Ozment and Knuth introduced:

H. F. No. 1759, A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; 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.

Ozment introduced:

H. F. No. 1760, A bill for an act relating to state historic sites; authorizing sale of state bonds; appropriating money for the William G. LeDuc House.

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

Peterson introduced:

H. F. No. 1761, A bill for an act relating to Mille Lacs county; authorizing sale of certain tax-forfeited land.

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

Dempsey, Omann and Wenzel introduced:

H. F. No. 1762, A bill for an act relating to agriculture; clarifying an exemption of farm equipment; amending Minnesota Statutes 1986, section 550.37, subdivision 5.

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

Voss introduced:

H. F. No. 1763, A bill for an act relating to financial institutions; providing for the licensing of residential secondary mortgage market lenders and loan officers; prescribing examination and educational requirements; detailing the supervisory powers of the commissioner of commerce; creating a residential secondary mortgage market lender advisory task force and detailing its powers and duties; appropriating money; amending Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; repealing Minnesota Statutes 1986, section 82.175; proposing coding for new law as Minnesota Statutes, chapter 57.

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

O'Connor introduced:

H. F. No. 1764, A bill for an act relating to consumer protection; regulating the disclosure of certain consumer reports; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 332.

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

Battaglia; Neuenschwander; Anderson, R., and Tunheim introduced:

H. F. No. 1765, A bill for an act relating to human services; providing for swing bed payments under medical assistance in certain circumstances; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8.

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

Battaglia, Solberg and Carlson, D., introduced:

H. F. No. 1766, A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

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

Anderson, R., introduced:

H. F. No. 1767, A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

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

Bauerly; McEachern; Johnson, A.; Swenson and Vellenga introduced:

H. F. No. 1768, A bill for an act relating to education; providing up to two years of free secondary school for those over age 20 who are unemployed or on public assistance and who left school before graduating; amending Minnesota Statutes 1986, section 120.06, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 126.22, subdivisions 2 and 3.

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

Morrison, Jennings, Pauly, Boo and Knickerbocker introduced:

H. F. No. 1769, A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Segal, Ogren and Greenfield introduced:

H. F. No. 1770, A bill for an act relating to human services; regarding duties of the commissioner of human services and the state advisory council on mental health; providing for a subcommittee; creating a children's mental health service system; amending Minnesota Statutes 1987 Supplement, sections 245.696, subdivision 2; and 245.697, subdivision 2, and by adding a subdivision; 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.

Segal introduced:

H. F. No. 1771, A bill for an act relating to taxation; individual income; allowing a subtraction for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Waltman introduced:

H. F. No. 1772, A bill for an act relating to human services; allowing continued hospitalization for a person on a ventilator who has been hospitalized for 30 years; appropriating money.

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

Kelly introduced:

H. F. No. 1773, A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

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

Quist, Hugoson, Thiede and Schafer introduced:

H. F. No. 1774, A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Statutes 1986, sections 340A.801, subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, subdivision 1.

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

HOUSE ADVISORIES

House Advisory Nos. 58 through 61 were filed with the Speaker during the recess, given a file number and unofficially referred to committee pursuant to House Rule 5.11. Following is the official introduction and committee reference:

Kinkel, Sarna, Begich, Lieder and Welle introduced:

H. A. No. 58, A proposal relating to commerce; funding of tourism information centers.

The advisory was referred to the Committee on Commerce.

Solberg; Steensma; Johnson, R.; Anderson, R., and Olson, K., introduced:

H. A. No. 59, A proposal relating to commerce; funding of tourism information centers.

The advisory was referred to the Committee on Commerce.

Neuenschwander, Dauner and Bauerly introduced:

H. A. No. 60, A proposal relating to commerce; funding of tourism information centers.

The advisory was referred to the Committee on Commerce.

Pelowski introduced:

H. A. No. 61, A proposal relating to commerce; funding of tourism information centers.

The advisory was referred to the Committee on Commerce.

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. 156, 384, 1112 and 1468.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 156, A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; amending Minnesota Statutes 1986, section 336.1-201; proposing coding for new law in Minnesota Statutes, chapter 336.

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

S. F. No. 384, A bill for an act relating to employment; providing for retraining of dislocated workers; requiring the commissioner of jobs and training to coordinate services to dislocated workers; requiring notification of employment termination; providing for the monitoring of dislocated workers and plant closings; amending Minnesota Statutes 1986, sections 267.02, subdivision 3; 268.0111, subdivision 4; 268.0122, subdivision 3; and 268.89, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268.

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

S. F. No. 1112, A bill for an act relating to athletic and sporting events; creating the Minnesota amateur sports commission and providing its powers and duties; requiring the sponsorship of certain amateur athletic events; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

S. F. No. 1468, A bill for an act relating to state government; creating an international music and communications arts center task force.

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

MOTIONS AND RESOLUTIONS

Kalis moved that his name be stricken as an author on H. F. No. 402. The motion prevailed.

Reding moved that the name of Steensma be added as an author on H. F. No. 402. The motion prevailed.

Kostohryz moved that the name of Osthoff be stricken and the name of Kelso be added as an author on H. F. No. 740. The motion prevailed.

Kludt moved that his name be stricken and the name of Brown be added as chief author on H. F. No. 1149. The motion prevailed.

Heap moved that the name of Morrison be added as an author on H. F. No. 1295. The motion prevailed.

McEachern moved that the name of Bauerly be added as an author on H. F. No. 1692. The motion prevailed.

Rest moved that the names of Johnson, A.; Carlson, D., and Wynia be added as authors on H. F. No. 1702. The motion prevailed.

Rest moved that the name of Long be added as an author on H. F. No. 1703. The motion prevailed.

Dorn moved that the name of Kelso be added as an author on H. F. No. 1717. The motion prevailed.

Morrison moved that the names of Haukoos and DeRaad be added as authors on H. F. No. 1718. The motion prevailed.

Olson, E., moved that the names of Neuenschwander; Johnson, R.; Kinkel and Carlson, D., be added as authors on H. F. No. 1725. The motion prevailed.

Jacobs moved that the name of Bennett be added as an author on H. F. No. 1732. The motion prevailed.

Simoneau moved that H. F. No. 944 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Rest moved that H. F. No. 704 be recalled from the Committee on Appropriations and be re-referred to the Committee on Judiciary. The motion prevailed.

Kostohryz moved that H. F. No. 740 be recalled from the Committee on Taxes and be re-referred to the Committee on General Legislation, Veterans Affairs and Gaming. The motion prevailed.

Shaver moved that H. F. No. 1699 be returned to its author. The motion prevailed.

Pursuant to House Rule 1.15, Schreiber moved that H. F. No. 199 be recalled from the Committee on Rules and Legislative Administration, be given its second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 50 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Knickerbocker	Ozment	Stanius
Bishop	Frerichs	Marsh	Pauly	Sviggum
Blatz	Gruenes	McDonald	Poppenhagen	Swenson
Boo	Gutknecht	McKasy	Redalen	Thiede
Brown	Hartle	McPherson	Richter	Tjornhom
Burger	Haukoos	Miller	Rose	Tompkins
Clausnitzer	Heap	Morrison	Schafer	Uphus
Dempsey	Himle	Olsen, S.	Schreiber	Valento
DeRaad	Hugoson	Omann	Seaberg	Waltman
Forsythe	Johnson, V.	Onnen	Shaver	Welle

Those who voted in the negative were:

Anderson, G.	Jacobs	Krueger	Olson, E.	Rukavina
Battaglia	Jaros	Larsen	Olson, K.	Sarna
Bauerly	Jefferson	Lasley	Orenstein	Scheid
Beard	Jennings	Lieder	Osthoff	Segal
Begich	Jensen	Long	Otis	Simoneau
Bertram	Johnson, A.	McEachern	Pappas	Skoglund
Carlson, L.	Johnson, R.	McLaughlin	Pelowski	Solberg
Carruthers	Kahn	Milbert	Peterson	Sparby
Clark	Kalis	Munger	Price	Steenasma
Cooper	Kelly	Murphy	Quinn	Trimble
Dauner	Kelso	Nelson, C.	Reding	Tunheim
Dawkins	Kinkel	Nelson, D.	Rest	Vellenga
DeBlicek	Kludt	Nelson, K.	Rice	Wagenius
Dorn	Knuth	O'Connor	Riveness	Wenzel
Greenfield	Kostohryz	Ogren	Rodosovich	Winter
				Wynia
				Spk. Vanasek

The motion did not prevail.

Forsythe introduced:

House Resolution No. 46, A House resolution congratulating the girls' tennis team from Edina High School for winning the 1987 Class AA Girls State High School Tennis Championship.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following changes in committee assignments:

Agriculture: Remove the name of Schoenfeld and add the name of Lasley.

Appropriations: Remove the names of Schoenfeld and Wynia and add the names of Clark and Segal.

Education Division/Appropriations: Remove the name of Schoenfeld and add the name of Segal.

Health and Human Services Division/Appropriations: Remove the name of Wynia and add the name of Clark, and the name of Greenfield as Chair.

Economic Development and Housing: Add the name of Dawkins.

Education: Remove the name of Segal and add the name of Dawkins.

Environment and Natural Resources: Remove the name of Ogren.

Future and Technology: Add the name of DeRaad.

Governmental Operations: Add the name of DeRaad.

Health and Human Services: Add the name of Ogren as Chair.

Higher Education: Add the name of DeRaad.

Judiciary: Remove the name of Schoenfeld and add the name of DeRaad.

Metropolitan Affairs: Add the name of Dawkins.

Regulated Industries: Add the name of Dawkins.

Rules and Legislative Administration: Remove the names of Norton and Schoenfeld and add the name of Krueger, and the name of Wynia as Chair.

Taxes: Remove the name of Norton and add the names of Osthoff, Scheid and Wynia.

Property Tax Division/Taxes: Add the names of Osthoff and Scheid.

Tax Laws Division/Taxes: Remove the name of Norton and add the name of Wynia.

Ways and Means: Remove the name of Norton and add the name of Greenfield, and the name of Vanasek as Chair.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 11, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 11, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

FIFTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 11, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Harold Hoekstra, St. James Lutheran Church, Crystal, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Anderson, R.	Gutknecht	Long	Ozment	Skoglund
Battaglia	Hartle	Marsh	Pappas	Solberg
Bauerly	Haukoos	McDonald	Pauly	Sparby
Beard	Heap	McEachern	Pelowski	Stanias
Begich	Himle	McKasy	Peterson	Steensma
Bishop	Hugoson	McLaughlin	Poppenhagen	Sviggum
Blatz	Jacobs	McPherson	Price	Swenson
Boo	Jaros	Milbert	Quinn	Thiede
Brown	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, A.	Munger	Rest	Tunheim
Clausnitzer	Johnson, R.	Murphy	Rice	Uphus
Cooper	Johnson, V.	Nelson, C.	Richter	Valento
Dauner	Kahn	Nelson, D.	Riverness	Voss
Dawkins	Kelly	Nelson, K.	Rodosovich	Wagenius
DeBlicke	Kelso	Neuenschwander	Rose	Waltman
Dempsey	Kinkel	O'Connor	Rukavina	Welle
DeRaad	Kludt	Ogren	Sarna	Wenzel
Dille	Knickerbocker	Olsen, S.	Schafer	Winter
Dorn	Knuth	Olsen, E.	Scheid	Wynia
Forsythe	Kostohryz	Olson, K.	Schreiber	Spk. Vanasek
Frederick	Kroeger	Omamm	Seaberg	
Frerichs	Larsen	Onnen	Segal	
Greenfield	Lasley	Orenstein	Shaver	

A quorum was present.

Bertram, Clark, Otis and Vellenga were excused.

Bennett and Burger were excused until 3:50 p.m. Kalis was excused until 4:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Osthoff 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 STANDING COMMITTEES

Olson, K., from the Committee on Education to which was referred:

H. F. No. 1633, A bill for an act relating to education; allowing a school district to use someone other than a traffic or police officer to control traffic in certain circumstances; amending Minnesota Statutes 1986, section 169.06, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 14, strike "traffic or"

Page 1, line 15, delete "other" and insert "special traffic"

Page 2, line 15, after "The" insert "special traffic"

Page 2, line 15, delete "an adult" and insert "at least 18 years of age"

Page 2, line 18, after "The" insert "special traffic"

Page 2, line 20, delete "traffic or"

Amend the title as follows:

Page 1, line 3, delete "someone other than a traffic or police" and insert "a special traffic"

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987

Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Trimble introduced:

H. F. No. 1775, A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; providing a toll-free telephone number; establishing an interagency advisory committee; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 245.83, and by adding subdivisions; 245.84, subdivision 1; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.84, subdivision 4; 245.86; and 245.87.

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

Jensen, Kelso, Vanasek, Kalis and Peterson introduced:

H. F. No. 1776, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Sarna, Simoneau, Knickerbocker, Reding and Clark introduced:

H. F. No. 1777, A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police officers and Minneapolis firefighters, their surviving spouses and depen-

dents; amending Laws 1949, chapter 406, section 5, by adding a subdivision.

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

Clark, Ogren, Greenfield, Jennings and Wynia introduced:

H. F. No. 1778, A bill for an act relating to corrections; establishing a shelter for battered American Indian women; appropriating money.

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

Simoneau introduced:

H. F. No. 1779, A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.06.

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

Simoneau introduced:

H. F. No. 1780, A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Simoneau introduced:

H. F. No. 1781, A bill for an act relating to traffic regulations; restricting use by trucks of left lane of controlled-access, interstate highway in Twin Cities area; amending Minnesota Statutes 1986, section 169.18, by adding a subdivision.

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

Minne introduced:

H. F. No. 1782, A bill for an act relating to retirement; public employees retirement association; permitting certain employees to purchase credit for prior service for which no salary deductions were made for the association.

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

Thiede introduced:

H. F. No. 1783, A bill for an act relating to corrections; requiring review of eligibility for public assistance when a person is sentenced to imprisonment; amending Minnesota Statutes 1986, section 609.115, 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.

McLaughlin, Wynia, Dauner, Greenfield and Stanius introduced:

H. F. No. 1784, A bill for an act relating to health; allowing certified nurse-midwives to prescribe and administer certain drugs; amending Minnesota Statutes 1986, sections 148.171; and 151.01, subdivision 23.

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

Onnen introduced:

H. F. No. 1785, A bill for an act relating to health; authorizing the commissioner of health to use competitive bidding or volume purchasing under the WIC program; amending Minnesota Statutes 1986, section 145.897.

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

Onnen, Valento, Sviggum, McDonald and Redalen introduced:

H. F. No. 1786, A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 1; providing that state spending may not increase at a greater rate than increases in the consumer price index.

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

Miller, by request, introduced:

H. F. No. 1787, A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 637, Redwood Falls.

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

Heap introduced:

H. F. No. 1788, A bill for an act relating to taxation; extending open space property tax treatment to certain recreational uses; amending Minnesota Statutes 1986, section 273.112, subdivision 3.

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

Rukavina introduced:

H. F. No. 1789, A bill for an act relating to retirement; teachers retirement association; entitling the surviving spouses of certain retired members to a joint and survivor annuity.

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

Skoglund; Winter; Carlson, L.; Carruthers and Blatz introduced:

H. F. No. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

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

Riveness, Gutknecht, Heap, Murphy and Begich introduced:

H. F. No. 1791, A bill for an act relating to unemployment compensation; defining the term "wages"; amending Minnesota Statutes 1987 Supplement, section 268.04, subdivision 25.

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

Kelly, Blatz, Greenfield and DeRaad introduced:

H. F. No. 1792, A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

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

Kelly, Voss, Schreiber, McKasy and Vanasek introduced:

H. F. No. 1793, A bill for an act relating to taxation; sales; including bulletproof vests in the definition of exempt clothing; amending Minnesota Statutes 1986, section 297A.25, subdivision 8.

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

DeBlieck, Skoglund, Waltman, Winter and Clark introduced:

H. F. No. 1794, A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

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

Ogren, DeBlieck, Simoneau and Morrison introduced:

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

Rest, Voss, Dauner and Nelson, C., introduced:

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement;

authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Bennett, Frederick, Tompkins and Ozment introduced:

H. F. No. 1797, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Olsen, S.; Frerichs; Valento; Haukoos and Omann introduced:

H. F. No. 1798, A bill for an act relating to transportation; allocating motor vehicle excise tax proceeds; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

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

Olsen, S.; Stanius; Tompkins; Anderson, R., and Omann introduced:

H. F. No. 1799, A bill for an act relating to health; health maintenance organizations; regulating terminations and cancellations; requiring an organization to provide conversion coverage to enrollees upon termination or cancellation of coverage; amending Minnesota Statutes 1986, sections 62D.03, subdivision 4; 62D.07, subdivision 3; 62D.12, subdivision 2; 62D.13; and 62D.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

McDonald; Olsen, S.; Valento; Stanius and Omann introduced:

H. F. No. 1800, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions;

amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Olsen, S.; McKasy; Tjornhom; Rose and Seaberg introduced:

H. F. No. 1801, A bill for an act relating to taxation; property tax refund; changing refund schedules and income limits; amending Minnesota Statutes 1987 Supplement, sections 290A.03, subdivisions 3 and 8; and 290A.04, subdivisions 2 and 2b; repealing Minnesota Statutes 1987 Supplement, section 290A.04, subdivision 2a; and Laws 1987, chapter 268, article 3, section 12.

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

Richter; Johnson, V.; Waltman; Thiede and McDonald introduced:

H. F. No. 1802, A bill for an act relating to transportation; allocating portion of positive unrestricted budgetary general fund balance to highway user tax distribution fund and transit assistance fund; repealing allocation to greater Minnesota fund; providing for allocation of motor vehicle excise tax revenues; proposing amendment to Minnesota Constitution requiring that net motor vehicle excise tax revenues be allocated to highway user tax distribution fund and transit assistance fund; amending Minnesota Statutes 1987 Supplement, sections 16A.1541; and 297B.09.

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

Nelson, D.; Wynia; Rose; Long and Osthoff introduced:

H. F. No. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Simoneau and Johnson, A., introduced:

H. F. No. 1804, A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

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

Johnson, A., and Simoneau introduced:

H. F. No. 1805, A bill for an act relating to energy; requiring repairs or inspections of furnaces to include inspection for leaks of noxious gases or provide notice that this type of inspection was not conducted; amending Minnesota Statutes 1986, sections 325F.19, by adding subdivisions; and 325F.23, by adding a subdivision.

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

Simoneau introduced:

H. F. No. 1806, A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

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

Tunheim introduced:

H. F. No. 1807, A bill for an act relating to game and fish; closing date for fishing season on the Rainy River; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

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

Rest, Blatz and Pappas introduced:

H. F. No. 1808, A bill for an act relating to traffic regulations; requiring that peace officers who seek to administer an alcohol

concentration test to a person under the implied consent law must provide additional information to the person under certain circumstances; amending Minnesota Statutes 1987 Supplement, section 169.123, subdivision 2.

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

Minne, Clark, Segal, Ogren and Tompkins introduced:

H. F. No. 1809, A bill for an act relating to the operation of the state displaced homemaker program; providing assistance to displaced homemakers; appropriating money.

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

Clark, Otis and Greenfield introduced:

H. F. No. 1810, A bill for an act relating to human services; establishing grants for community initiatives for children; appropriating money; 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.

Clark, Otis and Dawkins introduced:

H. F. No. 1811, A bill for an act relating to jobs and economic development; requiring the commissioner of jobs and training to annually study and report on the impact of defense contracting in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Clark, Jacobs, Ogren, McLaughlin and Greenfield introduced:

H. F. No. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5, and by adding a subdivision; and 237.53,

subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

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

Nelson, K.; McEachern; Carlson, L.; Vellenga and Boo introduced:

H. F. No. 1813, A bill for an act relating to education; providing for adult basic education programs; creating an advisory task force; providing state aid; authorizing a levy; appropriating money; amending Minnesota Statutes 1987 Supplement, section 275.125, subdivision 8; 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.

Tunheim; Carlson, D.; Lieder and Johnson, R., introduced:

H. F. No. 1814, A bill for an act relating to natural resources; allowing mowing of ditches at different times in the northern and southern areas of the state; amending Minnesota Statutes 1986, section 160.232.

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

Jefferson and Clark introduced:

H. F. No. 1815, A bill for an act relating to economic development; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 7, and by adding a subdivision; 469.175, by adding a subdivision; and 469.176, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Jefferson; Trimble; Orenstein; Johnson, A., and Forsythe introduced:

H. F. No. 1816, A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints

on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

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

Stanius, Rose, Sparby, Begich and Kahn introduced:

H. F. No. 1817, A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

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

Kahn, Redalen, Kalis and Krueger introduced:

H. F. No. 1818, A bill for an act relating to traffic regulations; providing for alternative slow-moving vehicle emblem for persons with sincerely held religious beliefs; amending Minnesota Statutes 1987 Supplement, section 169.522, subdivision 1.

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

Kahn, Brown, Battaglia, Stanius and Voss introduced:

H. F. No. 1819, A bill for an act relating to crimes; repealing the law prohibiting ticket scalping; repealing Minnesota Statutes 1986, section 609.805.

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

Gruenes, Bauerly, Omann, McEachern and Uphus introduced:

H. F. No. 1820, A bill for an act relating to insurance; health and accident; providing state plan coverage for certain residents who have been terminated because of a health maintenance organization's termination of coverage in a geographic area of the state.

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

Ogren, Jacobs, Quinn, Clark and McLaughlin introduced:

H. F. No. 1821, A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

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

Gruenes, Marsh, Bertram, Bauerly and Jacobs introduced:

H. F. No. 1822, A bill for an act relating to the city of St. Cloud; authorizing an on-sale liquor license for the St. Cloud Civic Center.

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

Jensen, Peterson and Reding introduced:

H. F. No. 1823, A bill for an act relating to aeronautics; prohibiting the metropolitan airports commission from extending, expanding, or constructing runways at Airlake airport.

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

Bauerly and Bertram introduced:

H. F. No. 1824, A bill for an act relating to education; appropriating money to increase the funding for the St. Cloud State University chair in real estate.

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

Nelson, K.; Trimble; McEachern; Bauerly and Ozment introduced:

H. F. No. 1825, A bill for an act relating to education; creating demonstration parental involvement programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

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

Lasley, Welle, Dempsey and Begich introduced:

H. F. No. 1826, A bill for an act relating to transportation; authorizing issuance of bonds to establish a fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Johnson, V.; Richter; Waltman; Uphus and Redalen introduced:

H. F. No. 1827, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Stanius, Schafer and Thiede introduced:

H. F. No. 1828, A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Stanius and Schafer introduced:

H. F. No. 1829, A bill for an act relating to taxation; property tax

refunds; restoring the full amount for 1986 claims with interest; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

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

Reding and Redalen introduced:

H. F. No. 1830, A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; amending Minnesota Statutes 1986, section 97A.435, subdivision 2.

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

Poppenhagen introduced:

H. F. No. 1831, A bill for an act relating to Becker county; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake.

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

Sparby introduced:

H. F. No. 1832, A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

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

Sparby introduced:

H. F. No. 1833, A bill for an act relating to education; raising the age for compulsory school attendance to 18; making conforming changes; amending Minnesota Statutes 1986, sections 123.35, subdivision 8; and 260.015, subdivision 19; Minnesota Statutes 1987 Supplement, sections 120.101, subdivisions 5 and 9; and 124.26, subdivision 1b.

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

Valento introduced:

H. F. No. 1834, A bill for an act relating to retirement; teachers retirement association; permitting certain employees to retire under the rule of 85 despite having failed to apply for retirement before the deadline.

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

Swenson, Kelly, Vellenga, Dempsey and Pappas introduced:

H. F. No. 1835, A bill for an act relating to government data practices; permitting disclosure of nonpublic court services data under certain circumstances; clarifying that law enforcement agencies may exchange pertinent and necessary information on juveniles; amending Minnesota Statutes 1986, section 13.84, subdivision 5, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3.

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

Swenson, Vellenga, Marsh, Pappas and Kelly introduced:

H. F. No. 1836, A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Dorn; Johnson, R.; Pelowski; DeBlicek and Carlson, L., introduced:

H. F. No. 1837, A bill for an act relating to taxation; exempting the University of Minnesota and state universities and colleges from the sales and use tax; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11.

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

Sviggum, Vanasek, Milbert, Tompkins and Ozment introduced:

H. F. No. 1838, A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

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

Rest, Carruthers and Bishop introduced:

H. F. No. 1839, 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; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 5 and 18; 13.46, subdivision 2; 116.44, subdivision 1; 121.931, subdivision 5; 126.70, subdivision 2; 127.35; 129B.40, subdivision 1; 145.921; 157.03; 176.081, subdivision 1; 176.101, subdivision 3e; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 245.77; 256.991; 268.04, subdivision 32; 273.124, subdivision 6; 290.05, subdivision 3; 290.50, subdivision 3; 290.92, subdivision 23; 308.11; 383B.229; 473.605, subdivision 2; 473.845, subdivision 1; 485.018, subdivision 2; 515A.3-115; 548.09, subdivision 2; 611A.53, subdivision 1; Minnesota Statutes 1987 Supplement, sections 16A.26; 16A.661, subdivision 3; 105.81; 120.05, subdivision 2; 124.646, subdivision 1; 129B.39; 136D.71; 144.122; 145A.07, subdivision 1; 176.131, subdivision 1; 214.01, subdivision 2; 256.01, subdivision 2; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.91, subdivision 3e; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 383B.77; 469.121, subdivision 1; 469.129, subdivision 1; 469.170, subdivisions 1, 3, 7, and 8; 471.562, subdivision 4; 471.563; 474A.02, subdivision 18; 525.94, subdivision 3; 582.041, subdivision 2; reenacting Minnesota Statutes 1987 Supplement, section 80A.14, subdivision 18; repealing Minnesota Statutes 1986, sections 226.01; 226.02; 226.03; 226.04; 226.05; 226.06; 260.125, subdivision 6; 326.01, subdivision 21; 362A.08; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapters 134, sections 2 and 30; 163, section 10; Laws 1977, chapter 35, section 8; Laws 1978, chapters 496, section 1; 706, section 31; Laws 1979, chapters 48, section 2; 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapters 242, section 1; 247, sections 38 and 130; 289, section 4; 290, sections 2 and 3; 299, section 26; 303, sections 21 and 22; Laws 1985, First Special Session chapter 9, article 2, sections 81, 82, and 88; Laws 1986, chapters 312, section 1; 400, section 43; 452, section 17; Laws 1986, First Special

Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapters 268, article 5, section 5; 384, article 2, section 25; 385, section 7; 403, article 5, section 1; 404, section 138.

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

Battaglia; Voss; McEachern; Johnson, V., and Jaros introduced:

H. F. No. 1840, A bill for an act relating to the Minnesota Constitution; proposing to repeal article XIII, section 3.

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

Battaglia, Rose, Kahn, Rukavina and Reding introduced:

H. F. No. 1841, A bill for an act relating to game and fish; imposing a fee for issuance of game and fish stamps; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

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

Segal introduced:

H. F. No. 1842, A bill for an act relating to taxation; income; restoring the pension exclusion and repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Reding, Munger, Redalen and Stanius introduced:

H. F. No. 1843, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivi-

sion; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Vellenga, Trimble, Pappas and Kelly introduced:

H. F. No. 1844, A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

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

Price, Knuth and Kostohryz introduced:

H. F. No. 1845, A bill for an act relating to local government; requiring representation on water commissions or boards of cities of the first class for municipality where treatment plant is located; proposing coding for new law in Minnesota Statutes, chapter 412.

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

Price; Swenson; Nelson, D., and Beard introduced:

H. F. No. 1846, A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Jefferson and Clark introduced:

H. F. No. 1847, A bill for an act relating to health; establishing a program to test infants for hemoglobinopathy; appropriating money; amending Minnesota Statutes 1986, section 144.125.

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

Jefferson and Clark introduced:

H. F. No. 1848, A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

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

Jefferson introduced:

H. F. No. 1849, A bill for an act relating to education; requiring milk substitutes or alternative food items for lactose intolerant children in school milk distribution programs; 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.

Jennings; Battaglia; Bauerly; Carlson, D., and Dempsey introduced:

H. F. No. 1850, A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

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

Bauerly; Jennings; Carlson, D.; Battaglia and Johnson, V., introduced:

H. F. No. 1851, A bill for an act relating to local government; regulating duties of town officers; setting town powers; regulating town revenue and property valuation matters; amending Minnesota Statutes 1986, sections 18.272; 429.031, by adding a subdivision; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, sections 115A.921; and 273.061, subdivision 8; and repealing Minnesota Statutes 1986, section 365.03.

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

Rest, Carruthers and Bishop introduced:

H. F. No. 1852, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

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

Voss; Skoglund; Otis; Anderson, G., and Knickerbocker introduced:

H. F. No. 1853, A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

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

Rest, Pappas, Morrison, Segal and Knuth introduced:

H. F. No. 1854, A bill for an act relating to communications; appropriating money to the commissioner of administration for a matching grant to regional cable television.

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

Simoneau and Vanasek introduced:

H. F. No. 1855, A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, subdivision 4.

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

Price, Beard, Swenson and McPherson introduced:

H. F. No. 1856, A bill for an act relating to highway traffic regulation; permitting certain limits on bicycles on roadways; amending Minnesota Statutes 1986, section 169.222, by adding a subdivision.

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

Price, Beard, Swenson and Brown introduced:

H. F. No. 1857, A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

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

Anderson, G.; Rose; Kahn; Jaros and Carlson, D., introduced:

H. F. No. 1858, A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

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

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, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 257, A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4,

5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

PATRICK E. FLAHAVER, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 257, that the Speaker appoint a Conference Committee of 3 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 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. 727, A bill for an act relating to state government; amending the process for establishing salaries for the chair of the regional transit board and directors of statewide pension systems; amending Minnesota Statutes 1986, section 15A.081, subdivisions 1 and 7, and by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

Simoneau moved that the House refuse to concur in the Senate amendments to H. F. No. 727, that the Speaker appoint a Conference Committee of 3 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 passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 724.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 724, A bill for an act relating to horse racing; modifying the purse structure; providing for the representation of horsepersons contracting with a licensee; modifying taxes; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivision 1.

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

Frerichs was excused between the hours of 2:15 p.m. and 4:30 p.m.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

The House of Representatives and the Senate met to hear an address by former President Thomas Jefferson as portrayed by actor Clay Jenkinson.

RECONVENED

The House reconvened and was called to order by the Speaker.

MOTIONS AND RESOLUTIONS

Dempsey moved that the name of O'Connor be added as an author on H. F. No. 1658. The motion prevailed.

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

Rest moved that the name of Milbert be added as an author on H. F. No. 1703. The motion prevailed.

McDonald moved that the name of Valento be added as an author on H. F. No. 1711. The motion prevailed.

Johnson, R., moved that the names of Welle, Krueger and Nelson, C., be added as authors on H. F. No. 1729. The motion prevailed.

Blatz moved that the name of Valento be added as an author on H. F. No. 1730. The motion prevailed.

Kostohryz moved that the names of Valento, Wenzel and Scheid be added as authors on H. F. No. 1746. The motion prevailed.

McLaughlin moved that the name of Nelson, K., be stricken and the name of Clark be added as an author on H. F. No. 1747. The motion prevailed.

Carlson, D., moved that the name of Olsen, S., be added as an author on H. F. No. 1748. The motion prevailed.

Olsen, S., moved that the name of Valento be added as an author on H. F. No. 1753. The motion prevailed.

DeBliciek moved that the name of Steensma be added as an author on H. F. No. 1757. The motion prevailed.

Begich moved that H. F. No. 1743 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Begich moved that H. F. No. 1744 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Peterson moved that H. F. No. 1761 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Anderson, G., was excused for the remainder of today's session.

Pursuant to Article IV, Sections 6 and 7 of the Constitution of the state of Minnesota, enumerating the powers of the House to judge the eligibility of, and to punish or expel members, Schreiber moved that the Speaker appoint three members of each House caucus to a select committee charged to determine:

1. the extent to which the House should, if at all, exercise disciplinary powers with respect to the conviction of Representative Ken Kludt for violation of Minnesota Statutes, section 609.324, subdivision 3;
2. necessary guidelines, if any, to ensure the uniform handling of matters relating to public misconduct on the part of House members; and
3. whether to establish a permanent committee on ethics.

Schreiber further moved that the select committee be directed to make recommendations to the full House no later than March 1, 1988, as to what action, if any, the House of Representatives should take on these matters.

A roll call was requested and properly seconded.

Wynia moved that the Schreiber motion be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Wynia motion and the roll was called. There were 72 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jefferson	McEachern	Pappas	Solberg
Bauerly	Jennings	McLaughlin	Pelowski	Sparby
Beard	Jensen	Milbert	Peterson	Steensma
Begich	Johnson, R.	Minne	Price	Trimble
Brown	Kahn	Munger	Quinn	Tunheim
Carlson, L.	Kalis	Murphy	Reding	Voss
Carruthers	Kelly	Nelson, C.	Rest	Wagenius
Cooper	Kinkel	Nelson, D.	Rice	Welle
Dauner	Knuth	Nelson, K.	Riveness	Wenzel
Dawkins	Kostohryz	Neuenschwander	Rodosovich	Winter
DeBlieck	Krueger	O'Connor	Rukavina	Wynia
Dorn	Larsen	Ogren	Sarna	Spk. Vanasek
Greenfield	Lasley	Olson, E.	Segal	
Jacobs	Lieder	Olson, K.	Simoneau	
Jaros	Long	Orenstein	Skoglund	

Those who voted in the negative were:

Bennett	Gruenes	McDonald	Pauly	Swenson
Burger	Gutknecht	McKasy	Poppenhagen	Thiede
Carlson, D.	Hartle	McPherson	Quist	Tjornhom
Clausnitzer	Haukoos	Miller	Richter	Tompkins
Dempsey	Heap	Morrison	Rose	Uphus
DeRaad	Himle	Olsen, S.	Schafer	Valento
Dille	Hugoson	Omann	Schreiber	Waltman
Forsythe	Johnson, A.	Onnen	Seaberg	
Frederick	Johnson, V.	Osthoff	Shaver	
Frerichs	Marsh	Ozment	Stanius	

The motion prevailed and the Schreiber motion was referred to the Committee on Rules and Legislative Administration.

NOTICE PURSUANT TO RULE 1.16

Pursuant to rule 1.16, Johnson, V., gave notice that he is requesting the return to the House of H. F. No. 192 from the Committee on Transportation.

NOTICE PURSUANT TO RULE 1.16

Pursuant to rule 1.16, Thiede gave notice that he is requesting the return to the House of H. F. No. 35 from the Committee on Governmental Operations.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 15, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 15, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

FIFTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 15, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Rollen Halvorson, Gloria Dei Lutheran Church, Redwood Falls, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Anderson, R.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Shaver
Beard	Gutknecht	Long	Otis	Simoneau
Begich	Hartle	Marsh	Ozment	Skoglund
Bennett	Haukoos	McDonald	Pappas	Solberg
Bishop	Heap	McEachern	Pauly	Sparby
Blatz	Himle	McKasy	Pelowski	Stanius
Boo	Hugoson	McLaughlin	Peterson	Steensma
Brown	Jacobs	McPherson	Poppenhagen	Sviggum
Burger	Jaros	Milbert	Price	Swenson
Carlson, D.	Jefferson	Miller	Quinn	Thiede
Carlson, L.	Jennings	Minne	Quist	Tjornhom
Carruthers	Jensen	Morrison	Redalen	Tompkins
Clark	Johnson, A.	Munger	Reding	Trimble
Clausnitzer	Johnson, R.	Murphy	Rest	Tunheim
Cooper	Johnson, V.	Nelson, C.	Rice	Uphus
Dauner	Kalis	Nelson, D.	Richter	Valento
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
DeRaad	Kludt	Ogren	Rukavina	Welle
Dille	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dorn	Knuth	Olson, E.	Schafer	Wynia
Forstye	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

A quorum was present.

Bertram, Kahn, Vellenga and Winter 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 STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 297, A bill for an act relating to real property; creating a lien against real property for expenses incurred by the pollution control agency in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [514.675] [LIEN FOR STATE CLEANUP ACTION EXPENSES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given in this subdivision.

(1) “Agency” means the pollution control agency.

(2) “Cleanup action” means corrective action or response action.

(3) “Cleanup action expenses” means expenses incurred for cleanup action under section 115B.17 or 115C.03, which are recoverable by the state under section 115B.17, subdivision 6 or 115C.04, subdivision 3.

(4) “Commissioner” means the commissioner of the pollution control agency.

(5) “Corrective action” has the meaning given in section 115C.02, subdivision 4.

(6) “Release” has the meanings given in sections 115B.02, subdivision 15 and 115C.02, subdivision 12.

(7) “Response action” means remedial and removal action as defined in section 115B.02, subdivisions 16 and 17.

Subd. 2. [APPLICATION OF LIEN.] All cleanup action expenses constitute a lien in favor of the state on the following real property owned by a person who is liable for the expenses under section 115B.04 or 115C.04:

(1) real property subject to the release or to the cleanup action; or

(2) real property that is contiguous to real property subject to the release or to the cleanup action if the contiguous property was included in the legal description of the real property subject to the release or to the cleanup action at any time during the five years preceding the date when cleanup action expenses were first incurred by the agency.

Subd. 3. [DURATION OF LIEN.] (1) [LIEN ARISES.] The lien created under this section arises when the agency first incurs cleanup action expenses and has provided written notice of potential liability for payment of cleanup action expenses to the owner by registered or certified mail.

(2) [LIEN PERFECTED.] The lien is perfected when a notice of lien is filed as provided in subdivision 6, clause (1). Filing of the notice relates back to the date on which the lien arose pursuant to clause (1), and perfects the lien as of that date.

(3) [LIEN CONTINUES IN FORCE.] The lien continues in force until the claim or judgment of the agency for the cleanup action expenses is satisfied or the claim becomes unenforceable by operation of the statute of limitations applicable to recovery of the expenses under section 115B.11 or 541.05, subdivision 1, clause (2).

(4) [NO SECOND LIEN.] When a lien under this section has been attached to real property and the agency determines that cleanup action is completed and is adequate to protect the public health, welfare, and the environment, no further lien under this section may attach to the property for cleanup action expenses taken after the agency's determination, except for cleanup action expenses required by a release that had not occurred or had not been discovered at the time the determination was made. Any person whose property rights may be affected by attachment of a lien may request the agency to make a determination under this clause by submitting a written request to the commissioner stating the reasons why a determination is needed and the facts in support of the determination. The commissioner shall submit the request, together with the commissioner's recommendations, to the agency for its determination.

Subd. 4. [LIEN PRIORITY; EXCEPTIONS.] (1) [PRIORITY.] Subject to the exceptions provided in this subdivision, a lien created under this section has priority over all other liens and encumbrances on the real property recorded after the effective date of this section to the extent of the increase in market value of the real property attributable to the cleanup action for which expenses were incurred. To the extent of the amount of the lien exceeds the increase in market value of the real property attributable to the cleanup action, the lien is subordinate to all other liens and encumbrances recorded or arising before the lien notice is filed.

(2) [RESIDENTIAL PROPERTY.] A lien under this section on real property the greater part of which is devoted to single or multifamily housing is subordinate to all other liens and encumbrances recorded or arising before the lien notice is filed.

(3) [TAXES AND SPECIAL ASSESSMENTS.] A lien under this section is subordinate to a lien for real estate taxes or special assessments.

Subd. 5. [INCREASE IN MARKET VALUE; APPRAISAL.] Subject to challenge under subdivision 9, paragraph (2), clause (a), the amount of any increase in market value of real property attributable to cleanup action shall be determined based upon appraisals of the market value of the real property as provided in this subdivision.

The first appraisal shall be made after approval of a remedial action plan for the cleanup action but before beginning implementation of the plan. The first appraisal must consider the existence and scope of the release for which cleanup action will be taken, the value and current use of improvements on the real property, and the effect of the release or cleanup action on the market value of the real property and on the value and continued use of the improvements. The second appraisal shall be made upon completion of the cleanup action other than continuing long-term actions such as monitoring and ground water pumpout, but shall take into account the estimated cost of continuing long-term actions and the effect of those actions on the market value of the real property.

The appraisals must be performed by a qualified, independent appraiser selected by the commissioner. An appraisal is not required before taking cleanup action to address an emergency requiring immediate action to protect the public health, safety, or the environment, but must be made as soon as practicable after the emergency cleanup action begins.

Subd. 6. [FILING OF LIEN NOTICE, APPRAISALS, AND CERTIFICATE OF EXPENSES.] (1) [LIEN NOTICE.] The lien notice must state the name of the owner and the legal description of the real property, a brief description of the cleanup action for which expenses have been or will be incurred, and the date on which cleanup action expenses were first incurred. A notice of lien may be filed when all of the following events have occurred:

(a) cleanup action expenses constituting a lien on the real property have been incurred by the agency;

(b) the commissioner or agency has taken all actions required under subdivision 7; and

(c) the court has issued an order allowing the filing of the lien notice as provided in subdivision 8.

(2) [APPRAISALS AND CERTIFICATE OF EXPENSES.] Upon completion of cleanup action other than continuing long-term actions, the commissioner shall file a copy of the appraisals required under subdivision 5 together with a certification of the agency's recoverable cleanup action expenses, including an estimate of the expenses of continuing long-term actions. Each document must state the name of the owner and the legal description of the real property.

(3) [FILING.] The lien notice, appraisals, and certification of expenses must be filed in the office of the county recorder or of the registrar of titles of the county in which the real property is located. An attestation, certification, or acknowledgement is not required as a condition of filing. The filing, mailing, or serving of a lien notice and any other document required under this section is the responsibility of the commissioner or the commissioner's delegate.

Subd. 7. [AGENCY PROCEDURES BEFORE FILING LIEN NOTICE.] Before filing a lien notice under this section, the agency or the commissioner shall:

(1) determine pursuant to action taken under section 115B.17, subdivision 1 or 115C.03, that the owner of the property at the time the lien arose is a responsible person with respect to recovery of cleanup action expenses;

(2) send a copy of any request to take response action under section 115B.17, subdivision 1, or any order to take corrective action under section 115C.03, subdivision 2 or 3, to the owner and to any lienholder of record with respect to the real property subject to or affected by the cleanup action;

(3) provide a reasonable opportunity to the owner and any lienholder and encumbrancer of record to negotiate concerning the taking of the cleanup action or reimbursement of the agency for cleanup action expenses;

(4) determine, in the manner provided in section 115B.17, subdivision 1 or 115C.03, subdivision 2, that the cleanup action will not be taken by the persons to whom a request for response action or order for corrective action was issued, and that the cleanup action will not be taken by a lienholder or encumbrancer of record; and

(5) authorize the commencement of cleanup action pursuant to section 115B.17, subdivision 1 or 115C.03, subdivision 2 or 3.

Subd. 8. [SUMMARY COURT PROCEEDING BEFORE FILING

OF NOTICE.] After completion of the actions required under subdivision 7, the commissioner may petition the district court of the county in which the real property is located for an order allowing the filing of a lien notice. The petition must be served upon the owner and any lienholder or encumbrancer of record in the manner provided for service of process in the rules of civil procedure. The petition must be filed within 90 days after completion of the actions required under subdivision 7 or after the agency first incurs expenses for cleanup action at or affecting the real property, whichever is later.

The court shall issue an order allowing the commissioner to file the lien notice upon a showing by the commissioner of evidence that:

(1) the agency or commissioner has taken the actions required under subdivision 7;

(2) cleanup action expenses have been incurred at or affecting the real property; and

(3) the real property against which the lien notice is proposed to be filed meets the criteria of subdivision 2, clause (1) or (2).

The proceeding under this subdivision is summary in nature. In reviewing a determination or authorization made by the commissioner or the agency, or in considering any other issue in this proceeding, the court is limited to determining whether the lien notice may be filed. Any determination made by the court in this proceeding shall have no effect on any other action that the commissioner or agency may take under chapter 115B or 115C with respect to cleanup action or on any other administrative, legal, or equitable remedy available to the commissioner or the agency under those chapters.

Evidence with respect to a determination or authorization made by the commissioner or agency is sufficient if the commissioner shows that the determination or authorization was made in accordance with applicable legal procedure and was accompanied by written reasons for the determination or authorization; provided that a party opposed to the petition may overcome the showing of the commissioner by demonstrating a reasonable probability of success in avoiding the later enforcement of the lien in an action in which the owner's liability for the cleanup action expenses or other issues relevant to lien enforcement may be considered the merits. The opposing party must demonstrate a probability of success sufficient to meet the burden imposed on a person seeking a temporary injunction.

Subd. 9. [LIEN ENFORCEMENT; RELEASE; DEPOSIT OF PROCEEDS.] (1) [ENFORCEMENT.] A perfected lien may be enforced by foreclosure in the manner provided for the foreclosure of

judgment liens under chapter 550 when the agency has obtained a judgment of liability for the cleanup action expenses constituting the lien against the person who owned the real property at the time the lien arose; provided that, with respect to real property containing improvements used for the production of income at the time the lien arose, foreclosure may be commenced only when the improvements are sold, removed, or no longer used for the production of income, or when title to the real property is transferred. The limitation on foreclosure provided in this clause shall not be construed to affect the legal status of the lien in a bankruptcy proceeding.

(2) [CHALLENGE OF LIEN.] When a lien is enforced under this subdivision, a person whose legal interest in the property may be adversely affected by the enforcement may challenge the validity, amount, and priority of the lien subject to the following provisions:

(a) When an increase in the market value attributable to the cleanup action is challenged, the court shall make a final determination of the increased value attributable to cleanup action in the manner provided for determining value of property in chapter 117, except as otherwise required to comply with this section.

(b) The agency's certification of cleanup action expenses is prima facie evidence that the expenses are reasonable and necessary.

(3) [RELEASE.] The commissioner may release a lien for which a notice has been filed under this section when a legally enforceable agreement satisfactory to the commissioner has been executed concerning the taking of cleanup action or reimbursement of the agency's cleanup action expenses. The commissioner shall release a lien when the agency's claim for cleanup action expenses has been satisfied. A release shall be executed and filed by the commissioner in the same manner as a lien notice.

(4) [DEPOSIT IN FUND.] Amounts received under this section in reimbursement of cleanup action expenses or in satisfaction of a lien must be deposited in the fund from which the expenses were paid by the agency.

Subd. 10. [OTHER REMEDIES PRESERVED.] This section does not affect the right of the agency to use a remedy available under any other law to recover expenses incurred in taking cleanup action.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to real property; creating a lien against

real property where the state has incurred cleanup expenses and the owner is liable for the expenses under Minnesota Statutes, chapter 115B or 115C; providing procedures for implementation and enforcement of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 421, A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [144.054] [SUBPOENA POWER.]

The commissioner may, as part of an investigation to determine whether a serious threat to human health exists, issue subpoenas to require production of books, records, correspondence, and other information and to compel attendance of witnesses, and may take testimony from witnesses under oath. The subpoenas may be served anywhere in the state by any person authorized to serve processes of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as a contempt of court. The privileges described in section 595.02, subdivision 1, apply to this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1653, A bill for an act relating to human services; requiring a study of mental health services for children.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 245.696, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES.] In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) review and evaluate local programs and the performance of administrative and mental health personnel and make recommendations to county boards and program administrators;

(2) provide consultative staff service to communities and advocacy groups to assist in ascertaining local needs and in planning and establishing community mental health programs;

(3) employ qualified personnel to implement this chapter;

(4) as part of the biennial budget process, report to the legislature on staff use and staff performance, including in the report a description of duties performed by each person in the mental health division;

(5) adopt rules for minimum standards in community mental health services as directed by the legislature;

(6) cooperate with the commissioners of health and jobs and training to coordinate services and programs for people with mental illness;

(7) convene meetings with the commissioners of corrections, health, education, and commerce at least four times each year for the purpose of coordinating services and programs for children with mental illness and children with emotional or behavioral disorders;

(8) evaluate the needs of people with mental illness as they relate to assistance payments, medical benefits, nursing home care, and other state and federally funded services;

(8) (9) provide data and other information, as requested, to the advisory council on mental health;

(9) (10) develop and maintain a data collection system to provide information on the prevalence of mental illness, the need for specific mental health services and other services needed by people with mental illness, funding sources for those services, and the extent to which state and local areas are meeting the need for services;

(10) (11) apply for grants and develop pilot programs to test and demonstrate new methods of assessing mental health needs and delivering mental health services;

(11) (12) study alternative reimbursement systems and make waiver requests that are deemed necessary by the commissioner;

(12) (13) provide technical assistance to county boards to improve fiscal management and accountability and quality of mental health services, and consult regularly with county boards, public and private mental health agencies, and client advocacy organizations for purposes of implementing this chapter;

(13) (14) promote coordination between the mental health system and other human service systems in the planning, funding, and delivery of services; entering into cooperative agreements with other state and local agencies for that purpose as deemed necessary by the commissioner;

(14) (15) conduct research regarding the relative effectiveness of mental health treatment methods as the commissioner deems appropriate, and for this purpose, enter treatment facilities, observe clients, and review records in a manner consistent with the Minnesota government data practices act, chapter 13; and

(15) (16) enter into contracts and promulgate rules the commissioner deems necessary to carry out the purposes of this chapter.

Sec. 2. Minnesota Statutes 1987 Supplement, section 245.697, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The state advisory council on mental health shall:

(1) advise the governor, the legislature, and heads of state departments and agencies about policy, programs, and services affecting people with mental illness;

(2) advise the commissioner of human services on all phases of the development of mental health aspects of the biennial budget;

(3) advise the governor and the legislature about the development of innovative mechanisms for providing and financing services to people with mental illness;

(4) encourage state departments and other agencies to conduct needed research in the field of mental health;

(5) review recommendations of the subcommittee on children's mental health;

(6) educate the public about mental illness and the needs and potential of people with mental illness; and

~~(6)~~ (7) review and comment on all grants dealing with mental health and on the development and implementation of state and local mental health plans.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245.697, is amended by adding a subdivision to read:

Subd. 2a. [SUBCOMMITTEE ON CHILDREN'S MENTAL HEALTH.] The state advisory council on mental health (the "advisory council") must have a subcommittee on children's mental health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the departments of human services, health, education, and corrections;

(2) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(3) at least one representative of an advocacy group for children with mental illness;

(4) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(5) parents of children who have mental illness or emotional or behavioral disorders;

(6) a present or former consumer of adolescent mental health services;

(7) educators experienced in working with emotionally disturbed children;

(8) people knowledgeable about the needs of emotionally disturbed children of minority races and cultures;

(9) people experienced in working with emotionally disturbed children who have committed status offenses;

(10) members of the advisory council; and

(11) county commissioners and social services agency representatives.

Subcommittee members described in clauses (3) to (11) shall be appointed by the chair of the advisory council through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair, who shall be elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 4. [245.698] [CHILDREN'S MENTAL HEALTH SERVICE SYSTEM.]

The commissioner of human services shall create and ensure a unified, accountable, comprehensive children's mental health service system that:

(a) identifies children who are eligible for mental health services;

(b) makes preventive services available to a wide range of children, including those who are not eligible for more intensive services;

(c) assures access to a continuum of services that:

(1) educate the community about the mental health needs of children;

(2) address the unique physical, emotional, social, and educational needs of children;

(3) are coordinated with other social and human services provided to children and their families;

(4) are appropriate to the developmental needs of children; and

(5) are sensitive to cultural differences and special needs;

(d) includes early screening and prompt intervention in order to:

(1) identify and treat the mental health needs of children in the least restrictive setting appropriate to their needs; and

(2) prevent further deterioration;

(e) provides services to children and their families in the context in which the children live and go to school;

(f) addresses the unique problems of paying for mental health services for children, including:

(1) access to private insurance coverage; and

(2) public funding;

(g) to every extent possible, includes children and their families in planning the child's program of mental health services; and

(h) when necessary, assures a smooth transition to the adult services system.

For purposes of this section, "child" means a person under age 18.

The commissioner shall begin implementing the goals and objectives of this section by February 15, 1990, and shall fully implement the goals and objectives by February 15, 1992. By February 15, 1989, the commissioner shall present a report to the legislature outlining recommendations for full implementation. The report must include a timetable for implementing the recommendations and identify additional resources needed for full implementation. The report must be updated annually by February 15 of 1990, 1991, and 1992.

Sec. 5. APPROPRIATION.

\$ is appropriated to the commissioner of human services for purposes of section 4."

Delete the title and insert:

"A bill for an act relating to human services; regarding duties of the commissioner of human services and the state advisory council on mental health; providing for a subcommittee; creating a children's mental health service system; amending Minnesota Statutes 1987 Supplement, sections 245.696, subdivision 2; and 245.697, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1754, A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 5, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivision 2.

Reported the same back with the following amendments:

Page 7, delete lines 29 to 36, and insert:

"Subd. 4c. [CLAIMS BY OTHER CRIME VICTIMS.] The board may use moneys received by virtue of an offender's contract for the purpose of paying reparations awarded to victims of other crimes pursuant to sections 611A.51 to 611A.67 under the following circumstances:

(1) moneys remain after deductions and allocations have been made under subdivisions 4 and 4a, and claims have been paid under subdivision 4b; or

(2) no claim is filed under subdivision 4b within five years of the date on which the board received payment under this section.

None of these moneys may be used for purposes other than the payment of reparations."

Page 8, delete line 1

Page 8, delete section 10

Page 9, line 19, delete everything after the second comma and insert "subdivisions 2 and 5, are"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 12, delete "5,"

Page 1, line 16, delete "subdivision 2" and insert "subdivisions 2 and 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren 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; providing for swing bed payments under medical assistance in certain circumstances; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1773, A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1775, A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; providing a toll-free telephone number; establishing an interagency advisory committee; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; requiring a study; appropriating money;

amending Minnesota Statutes 1986, sections 245.83, and by adding subdivisions; 245.84, subdivision 1; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.84, subdivision 4; 245.86; and 245.87.

Reported the same back with the following amendments:

Page 9, line 7, delete "and"

Page 9, line 9, delete the period and insert "; and"

Page 9, before line 10, insert:

"(7) provide programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed care."

Page 13, line 32, delete "and"

Page 13, line 33, delete the period and insert "; and"

Page 13, before line 34, insert:

"(4) the impact of child care regulations on the availability and affordability of care."

Page 14, delete lines 6 to 10

Page 14, line 11, delete "Subd. 2." and insert "Subdivision 1."

Page 14, line 14, delete "3." and insert "2."

Page 14, line 20, delete "4." and insert "3."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 236, A bill for an act relating to obscenity; prohibiting the distribution and exhibition of obscene materials and performances; prescribing penalties; amending Minnesota Statutes 1986, section 617.241.

Reported the same back with the following amendments:

Page 3, line 21, delete "August 1, 1987" and insert "June 1, 1988"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 297, 421, 1754 and 1773 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 236 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rest, Pauly, Segal and Clark introduced:

H. F. No. 1859, A bill for an act relating to taxation; retaining strict levy limits for cities and counties that do not comply with pay equity requirements; reducing 1992 local government aids of cities and counties that do not implement equitable compensation plans.

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

Sarna, Long and Jefferson introduced:

H. F. No. 1860, A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

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

Otis, Jefferson, McLaughlin and Clark introduced:

H. F. No. 1861, A bill for an act relating to the city of Minneapolis; permitting the establishment of special service districts.

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

Nelson, K.; Otis and Greenfield introduced:

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

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

Johnson, A.; Knuth; Simoneau and Voss introduced:

H. F. No. 1863, A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

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

Jensen, Kelso and Reding introduced:

H. F. No. 1864, A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

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

Stanius introduced:

H. F. No. 1865, A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

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

Pappas, Vellenga, Clark and Greenfield introduced:

H. F. No. 1866, A bill for an act relating to elections; creating the office of city attorney for cities of the first class; specifying duties; providing for the election of the city attorney; proposing coding for new law in Minnesota Statutes, chapter 465.

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. 1867, A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

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

Nelson, K., introduced:

H. F. No. 1868, A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

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

Voss introduced:

H. F. No. 1869, A bill for an act relating to real property; providing for the rights of persons holding certificates of title; amending Minnesota Statutes 1987 Supplement, section 508.25.

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

Carruthers introduced:

H. F. No. 1870, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Rest and Voss introduced:

H. F. No. 1871, A bill for an act relating to taxation; providing or altering certain requirements for the use of tax increment financing; amending Minnesota Statutes 1986, section 475.51, subdivision 5; Minnesota Statutes 1987 Supplement, sections 469.174; subdivision 10; 469.175, subdivisions 1, 2, 3, and 4; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, and 4, and by adding a subdivision; and 469.179.

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

Jefferson introduced:

H. F. No. 1872, A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

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

Segal, Kelly and Scheid introduced:

H. F. No. 1873, A bill for an act relating to crimes; police pursuit; increasing the penalty for fleeing a peace officer; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 609.487, subdivision 3; 609.531, subdivisions 2, 4, and 6; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Simoneau; Vanasek; Anderson, G.; Schreiber and Voss introduced:

H. F. No. 1874, A bill for an act relating to the metropolitan

airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

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

Solberg introduced:

H. F. No. 1875, A bill for an act relating to retirement; authorizing an election of social security coverage by certain teachers and public employees; proposing coding for new law in Minnesota Statutes, chapter 355.

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

Clark introduced:

H. F. No. 1876, A bill for an act relating to state services for the blind and visually handicapped; clarifying the relationship between federal and state laws regarding supervision of vending stands; clarifying utilization of receipts in the revolving fund; providing that certain department of jobs and training data be classified as public data; regulating the disposition of certain reimbursements received by the commissioner of jobs and training; amending Minnesota Statutes 1986, sections 13.791, subdivision 1; and 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; repealing Minnesota Statutes 1986, section 136.26.

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

Simoneau introduced:

H. F. No. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

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

McEachern; Krueger; Dauner; Nelson, K., and Anderson, R., introduced:

H. F. No. 1878, A bill for an act relating to education; providing for education district revenue, aid, and levy; proposing coding for new law in Minnesota Statutes, chapter 122.

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

McLaughlin, Osthoff, Ogren, Rest and Blatz introduced:

H. F. No. 1879, A bill for an act relating to taxation; individual income; modifying computation of the dependent care credit; indexing the income offset for inflation; amending Minnesota Statutes 1986, section 290.067, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 290.067, subdivision 2.

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

Kelly, Kostohryz, Boo, Scheid and Minne introduced:

H. F. No. 1880, A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Bauerly introduced:

H. F. No. 1881, A bill for an act relating to education; increasing the formula allowance for general education revenue for the 1988-1989 school year; appropriating money; amending Minnesota Statutes 1987 supplement, section 124A.22, subdivision 2.

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

Bauerly and McEachern introduced:

H. F. No. 1882, A bill for an act relating to education; establishing

state aid for referendum levies for school districts; 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.

Bauerly and McEachern introduced:

H. F. No. 1883, A bill for an act relating to education; establishing state aid for debt service for school districts; 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 Education.

Johnson, R., and Tunheim introduced:

H. F. No. 1884, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

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

Minne introduced:

H. F. No. 1885, A bill for an act relating to human services; creating a limited exception to nursing home historical property cost limitations; appropriating money; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

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

Orenstein, Blatz, Carruthers and Kelly introduced:

H. F. No. 1886, A bill for an act relating to crime; increasing penalties for selling or renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

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

Ogren; Rodosovich; Cooper; Nelson, C., and Sviggum introduced:

H. F. No. 1887, A bill for an act relating to hospitals; requiring

prompt payment; establishing rates for small hospitals; requiring interim payments to hospitals; amending Minnesota Statutes 1986, sections 16A.124, subdivision 4, and by adding a subdivision; and 256.969, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

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

Jennings; Morrison; Johnson, V.; Battaglia and Jefferson introduced:

H. F. No. 1888, A bill for an act relating to local planning and zoning; providing for the administration of land use contracts; defining authority of local government units; providing for procedures and records; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 394A; repealing Minnesota Statutes 1986, sections 394.21 to 394.37 and 462.351 to 462.364.

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

Rodosovich, Jennings, Greenfield and Stanius introduced:

H. F. No. 1889, A bill for an act relating to human services; providing for the eligibility for and calculation of general assistance and AFCD grants; amending Minnesota Statutes 1986, sections 256.73, subdivisions 2 and 6; 256.76, subdivision 1; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; and 256D.07; Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1a; and 256D.06, subdivision 1.

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

Greenfield, Onnen, Stanius, Gruenes and Ogren introduced:

H. F. No. 1890, A bill for an act relating to health; requiring a review organization to report certain information to the board of medical examiners; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota Statutes 1986, sections 145.64; 147.02, subdivision 6; 147.091, subdivision 1; 148.71; 214.10, subdivision 8; and 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.

Greenfield and Ogren introduced:

H. F. No. 1891, A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; providing for implementation of the food stamp employment and training program; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 256.736, subdivisions 1b and 4.

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

Johnson, A.; Kostohryz; Knuth and Simoneau introduced:

H. F. No. 1892, A bill for an act relating to education; making changes in the training and experience revenue and the minimum allowance aid formulas; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 4; and 124A.25, subdivision 2.

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

Clark introduced:

H. F. No. 1893, A bill for an act relating to youth employment; providing planning grants for the design of youth employment programs; appropriating money.

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

Neuenschwander, McKasy, Jennings, Haukoos and Reding introduced:

H. F. No. 1894, A bill for an act relating to environment; prohibiting sale of certain beverage containers with nondegradable connectors; amending Minnesota Statutes 1986, section 325E.03, subdivision 1.

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

Pappas, Solberg, Rest and Seaberg introduced:

H. F. No. 1895, A bill for an act relating to crime; requiring the sentencing guidelines commission to estimate the effect of proposed criminal legislation on prison populations; requiring county attorneys to develop written plea negotiation and charging policies; amending Minnesota Statutes 1986, section 244.09, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 388.

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

Jennings introduced:

H. F. No. 1896, A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

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

Scheid, McKasy, Quinn, Carruthers and Skoglund introduced:

H. F. No. 1897, A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivision 1; 60C.13, subdivision 2; and 60C.15; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1986, section 60C.18.

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

Ogren and Murphy introduced:

H. F. No. 1898, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

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

Ogren and Murphy introduced:

H. F. No. 1899, A bill for an act relating to capital improvements; providing funds for tourist facilities at Cloquet; authorizing sale of state bonds; appropriating money.

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

Ogren and Murphy introduced:

H. F. No. 1900, A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

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

Ogren, Quinn, Beard, Jacobs and McLaughlin introduced:

H. F. No. 1901, A bill for an act relating to utilities; improving the administration of the public utilities commission and the department of public service; encouraging settlements of gas and electric rate cases; authorizing the commission to extend the time period for considering rate cases under certain circumstances; providing for the imposition of interim rates in subsequent rate cases when the commission extends the time period for considering a rate case; requiring the administrative law judge to submit a report to the commission in a rate case within a certain period of time; requiring utilities and telephone companies to make refunds under certain circumstances; providing for commission review of certain utility sales or acquisition of plants located outside the state; deregulating coin-operated telephones and providing minimum standards; requiring telephone companies to provide notice to the commission and department when making certain transactions with affiliated companies; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; 216B.17, by adding a subdivision; 216B.50, subdivision 1; 237.01, subdivision 2, and by adding a subdivision; 237.075, subdivisions 2 and 3; and 237.081, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 237.65, by adding a subdivision; 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.

Riveness, Begich, Murphy, Heap and Sviggum introduced:

H. F. No. 1902, A bill for an act relating to unemployment insurance; requiring notice of completion of job assignment by employees of temporary employment service; amending Minnesota Statutes 1987 Supplement, section 268.08, subdivision 1.

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

Omann, Marsh and Gruenes introduced:

H. F. No. 1903, A bill for an act relating to health; requiring continuation or conversion of benefits in the event a health maintenance organization cancels its operation in a designated service area or areas; providing for notice of cancellation; changing eligibility requirements for catastrophic health expense protection program; appropriating money; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; 62D.09, subdivisions 1 and 2; 62E.52, subdivisions 2, 3, 7, and by adding a subdivision; 62E.53; and 62E.531; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62E.14, subdivision 3.

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

Solberg and Neuenschwander introduced:

H. F. No. 1904, A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

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

Wagenius; Jefferson; McEachern; Nelson, K., and Ozment introduced:

H. F. No. 1905, A bill for an act relating to education; requiring the signing of an education statement; raising the age for compulsory school attendance to 18 for the 2000-2001 school year and years thereafter; making conforming changes; amending Minnesota Statutes 1986, sections 123.35, subdivision 8; and 260.015, subdivision 19; Minnesota Statutes 1987 Supplement, sections 120.101, subdivisions 5 and 9; and 124.26, subdivision 1b.

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

Marsh and Gruenes introduced:

H. F. No. 1906, A bill for an act relating to the state university board; requiring the board to reimburse the city of St. Cloud for police services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136.

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

Pappas, Trimble and Kelso introduced:

H. F. No. 1907, A bill for an act relating to education; requiring school districts to provide notice of shortened school days; amending Minnesota Statutes 1986, section 124.19, by adding a subdivision.

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

Omann; Wenzel; Nelson, C.; Bauerly and Marsh introduced:

H. F. No. 1908, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Omann, Bauerly and Marsh introduced:

H. F. No. 1909, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Valento, Tompkins, Richter, Morrison and Hugoson introduced:

H. F. No. 1910, A bill for an act relating to taxation; sales; exempting nonprescription drugs and health products; amending

Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

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

Price introduced:

H. F. No. 1911, A bill for an act relating to elections; allowing additional changes in precinct boundaries in certain instances; amending Minnesota Statutes 1987 Supplement, section 204B.14, subdivision 3.

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

Price introduced:

H. F. No. 1912, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook county.

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

Pappas, Sarna, Scheid, Sviggum and Dille introduced:

H. F. No. 1913, A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; 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.

Skoglund and Winter introduced:

H. F. No. 1914, A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies; homeowners policies; no-fault auto policies; dram shop policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health

coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; requiring coverage for water damage; defining certain terms; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating certain dram shop policy exclusions; regulating notaries public; extending the period of appointment; amending Minnesota Statutes 1986, sections 60A.02, subdivision 7, and by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivisions 1 and 10; 60A.1701, subdivisions 1 and 9; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.27, subdivision 1, and by adding a subdivision; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 340A.409, subdivision 1; 359.02; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.152, subdivision 2; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11; 62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding subdivisions; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 45; 62A; 65A; and 72A; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and 60C.06, subdivision 5.

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

Lasley introduced:

H. F. No. 1915, A bill for an act relating to transportation; creating legislative highway corridor study commission.

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

Dauner; Brown; Redalen; Johnson, V., and Uphus introduced:

H. F. No. 1916, A bill for an act relating to property tax administration; extending the time by which senior accreditation is required for assessors; amending Minnesota Statutes 1987 Supplement, sections 270.485; and 273.061, subdivision 1.

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

Valento, Rose, Richter, Dempsey and Sviggum introduced:

H. F. No. 1917, A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Sarna, Ogren, McEachern and Anderson, R., introduced:

H. F. No. 1918, A bill for an act relating to game and fish; authorizing the use of two lines in angling; amending Minnesota Statutes 1986, section 97C.315, subdivision 1.

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

Hartle, Ozment, Poppenhagen and Seaberg introduced:

H. F. No. 1919, A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Kahn, Ogren, Skoglund, Dille and Nelson, D., introduced:

H. F. No. 1920, A bill for an act relating to health; requiring the elimination of designated smoking areas in certain instances; protecting complainants of smoke-induced discomfort; amending Minnesota Statutes 1986, section 144.415; and Minnesota Statutes 1987 Supplement, section 144.412; 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.

Reding, Boo and Kostohryz introduced:

H. F. No. 1921, A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; amending Minnesota Statutes 1987 Supplement, section 349.12, subdivision 11.

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

Pappas, Greenfield, Dawkins and Simoneau introduced:

H. F. No. 1922, A bill for an act relating to crimes; repealing the prohibition against the sale of articles relating to prevention of conception or disease; repealing Minnesota Statutes 1986, section 617.251.

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

Kelly, Marsh, Pappas, Miller and Swenson introduced:

H. F. No. 1923, A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

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

Segal; Nelson, K., and McEachern introduced:

H. F. No. 1924, A bill for an act relating to education; authorizing health and wellness education program planning; appropriating money; 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.

Segal; Carlson, L., and Price introduced:

H. F. No. 1925, A bill for an act relating to education; eliminating

the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

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

Olsen, S.; Jennings; Anderson, R.; Lieder and Valento introduced:

H. F. No. 1926, A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

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

Ogren, Greenfield, Riveness, Rodosovich and Anderson, R., introduced:

H. F. No. 1927, A bill for an act relating to medical assistance; establishing a case management pilot project; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Ogren, Uphus, Rukavina, Cooper and Wenzel introduced:

H. F. No. 1928, A bill for an act relating to agriculture; appropriating money for enforcement of the organic food law.

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

Ogren and Murphy introduced:

H. F. No. 1929, A bill for an act relating to retirement; authorizing a previously retired public employee who is reemployed to resume contributions to the public employees retirement fund.

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

Kelly, Bishop, McKasy, Long and Orenstein introduced:

H. F. No. 1930, A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law as Minnesota Statutes, chapter 480B.

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

Johnson, R.; Rukavina; Munger and Kalis introduced:

H. F. No. 1931, A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89.

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

Riveness, Peterson, Skoglund and Rest introduced:

H. F. No. 1932, A bill for an act relating to insurance; accident and health; exempting child health supervision services and prenatal care services from any requirement of coinsurance or dollar limitation; 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.

Olsen, S.; Nelson, D.; Marsh; DeBlicke and Jensen introduced:

H. F. No. 1933, A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

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

Dorn, Carlson, L.; Johnson, R.; Pelowski and DeBlieck introduced:

H. F. No. 1934, A bill for an act relating to education; providing that the state university system activity fee is not subject to state or local tax; amending Minnesota Statutes 1986, section 136.11, subdivision 5.

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

Minne, Skoglund, Scheid, Neuenschwander and Segal introduced:

H. F. No. 1935, A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; 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.

Dorn; Johnson, R.; Pelowski; DeBlieck and Bauerly introduced:

H. F. No. 1936, A bill for an act relating to taxation; exempting the University of Minnesota, state universities, and community colleges from the sales and use tax and motor vehicle excise tax; providing for refunds; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 297A.25, subdivision 11; and 297B.03.

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

Segal introduced:

H. F. No. 1937, A bill for an act relating to education; requiring AIDS instruction in schools; amending Minnesota Statutes 1986, section 126.02, by adding a subdivision.

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

Haukoos, Vanasek, Jacobs, Jennings and Hartle introduced:

H. F. No. 1938, A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

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

Winter; DeBlicek; Redalen; Olson, K., and Wenzel introduced:

H. F. No. 1939, A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

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

O'Connor, Sarna, McEachern, Beard and Bishop introduced:

H. F. No. 1940, A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivisions 1 and 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, subdivision 1.

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

Dawkins, Kostohryz, Rose, Voss and Dauner introduced:

H. F. No. 1941, A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

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

Ogren and Battaglia introduced:

H. F. No. 1942, A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

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

Ogren and Carlson, D., introduced:

H. F. No. 1943, A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

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

Quinn, Kostohryz, Beard, McKasy and Ozment introduced:

H. F. No. 1944, A bill for an act relating to veterans; authorizing a tax to defray the cost of a veterans service officer in any county where the officer may be employed; amending Minnesota Statutes 1986, section 197.60, subdivision 4.

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

Beard, Kostohryz, Milbert, Sviggum and Ozment introduced:

H. F. No. 1945, A bill for an act relating to state agencies; delaying the effective date of an executive reorganization order transferring control of the Minnesota veterans home; amending Minnesota Statutes 1986, section 16B.37, subdivision 2.

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

Beard, Kostohryz, Milbert, Ozment and Simoneau introduced:

H. F. No. 1946, A bill for an act relating to retirement; granting military service credit to certain state employees; proposing coding for new law in Minnesota Statutes, chapter 352.

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

Murphy and Jaros introduced:

H. F. No. 1947, A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

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

Murphy introduced:

H. F. No. 1948, A bill for an act relating to labor; providing comparable worth compensation for certain employees in semi-independent living service, developmental achievement center, and intermediate care facility for the mentally retarded programs; authorizing a study; appropriating money.

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

MOTIONS AND RESOLUTIONS

Ogren moved that the name of Orenstein be added as an author on H. F. No. 421. The motion prevailed.

Pappas moved that the name of Clark be added as an author on H. F. No. 1251. The motion prevailed.

Johnson, V., moved that the name of Boo be added as an author on H. F. No. 1700. The motion prevailed.

Rest moved that the name of Bishop be added as an author on H. F. No. 1702. The motion prevailed.

McDonald moved that the name of Boo be added as an author on H. F. No. 1711. The motion prevailed.

DeRaad moved that the names of Frederick and Boo be added as authors on H. F. No. 1722. The motion prevailed.

DeRaad moved that the names of Frederick and Boo be added as authors on H. F. No. 1723. The motion prevailed.

Blatz moved that the name of Boo be added as an author on H. F. No. 1730. The motion prevailed.

Bennett moved that the name of Stanius be added as an author on H. F. No. 1797. The motion prevailed.

Tunheim moved that the name of Neuenschwander be added as an author on H. F. No. 1807. The motion prevailed.

Bauerly moved that the name of Wenzel be added as an author on H. F. No. 1824. The motion prevailed.

Lasley moved that the name of Kalis be added as an author on H. F. No. 1826. The motion prevailed.

Price moved that the name of Valento be added as an author on H. F. No. 1845. The motion prevailed.

Segal moved that H. F. No. 1770 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 18, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 18, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

FIFTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 18, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Alan McCain, Pastor of Rochester Congregational Church and President of the Rochester Council of Churches, Rochester, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frerichs	Krueger	Onnen	Simoneau
Anderson, R.	Greenfield	Larsen	Orenstein	Skoglund
Battaglia	Gruenes	Lasley	Osthoff	Solberg
Bauerly	Gutknecht	Lieder	Otis	Sparby
Beard	Hartle	Long	Ozment	Stanius
Begich	Haukoos	Marsh	Pappas	Steensma
Bennett	Heap	McDonald	Pauly	Sviggum
Bertram	Himle	McEachern	Pelowski	Swenson
Bishop	Hugoson	McKasy	Peterson	Thiede
Boo	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Brown	Jaros	McPherson	Price	Tompkins
Burger	Jefferson	Milbert	Quinn	Trimble
Carlson, D.	Jennings	Miller	Quist	Tunheim
Carlson, L.	Jensen	Morrison	Redalen	Uphus
Carruthers	Johnson, A.	Munger	Reding	Valento
Clausnitzer	Johnson, R.	Murphy	Rice	Vellenga
Cooper	Johnson, V.	Nelson, C.	Richter	Voss
Dauner	Kahn	Nelson, D.	Rodosovich	Wagenius
Dawkins	Kalis	Nelson, K.	Rose	Waltman
DeBlieck	Kelly	Neuenschwander	Rukavina	Welle
Dempsey	Kelso	O'Connor	Sarna	Wenzel
DeRaad	Kinkel	Ogren	Schafer	Winter
Dille	Kludt	Olsen, S.	Scheid	Wynia
Dorn	Knickerbocker	Olson, E.	Seaberg	Spk. Vanasek
Forsythe	Knuth	Olson, K.	Segal	
Frederick	Kostohryz	Omam	Shaver	

A quorum was present.

Blatz, Minne and Schreiber were excused.

Rest and Riveness were excused until 2:35 p.m. Clark was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Simoneau 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. 1773, 297, 421 and 1754 and S. F. No. 236 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; proposing coding for new law in Minnesota Statutes, chapter 11A.

Reported the same back with the following amendments:

Page 2, lines 25 and 26, delete "consistent with sound investment policy."

Page 2, line 35, after "investments" insert "or to make investments that violate sound investment policy for public pensions"

Amend the title as follows:

Page 1, line 3, after "Ireland;" insert "protecting public pension investment policy;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1659, A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; transferring responsibilities imposed by law upon constables to peace officers; amending Minnesota Statutes 1986, sections 38.01; 88.10, subdivision 2; 88.18; 97A.205; 115.32, subdivision 3; 123.352, subdivision 3; 136C.08, subdivision 4; 169.123, subdivision 1; 169.965, subdivisions 4 and 5; 169.966, subdivisions 4 and 5; 169.98, subdivision 1; 176.011, subdivision 9; 192.68, subdivision 1; 192.85; 260.133, subdivision 3; 277.11; 299C.03; 299C.06; 299D.03, subdivision 1; 306.13; 315.43; 317.66, subdivision 4; 325E.21, subdivision 1; 326.337, subdivision 1; 327.76, subdivision 3; 329.07; 329.14; 330.06; 332.37; 343.29, subdivision 1; 345.04; 345.05; 345.14; 346.05; 346.14; 346.17; 346.18; 347.06; 347.14, subdivisions 1 and 2; 349.33; 357.12; 359.11; 367.11; 367.40, by adding a subdivision; 367.42, subdivision 1, and by adding a subdivision; 375.24; 382.27; 383C.645; 383C.673; 395.23; 398.13; 398.35, subdivision 2; 412.101; 412.861, subdivision 1; 473.608, subdivision 17; 514.22; 514.58; 518B.01, subdivision 6; 541.06; 561.07; 566.06; 566.16; 566.175, subdivision 1; 617.27; 624.24; 624.62; 626.05, subdivision 2; 626.84, subdivision 1; 626.848; 626.86; 626.861, subdivision 4; 626.88, subdivisions 1 and 2; 629.34, subdivision 1; and 631.04; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.03, subdivision 3; 367.40, subdivision 3; 367.41; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 367.40, subdivision 3, is amended to read:

Subd. 3. “Constable” means any individual employed or appointed by a political subdivision and licensed by the board of peace officer standards and training on or before August 1, 1988, who is charged with the prevention and detecting of crime, the enforcement of the general criminal laws of the state, and who has full powers of arrest. The term shall apply even though the individual exercises powers

and duties on a part-time basis with or without receipt of compensation.

Sec. 2. Minnesota Statutes 1986, section 367.40, is amended by adding a subdivision to read:

Subd. 5. [PART-TIME PEACE OFFICER.] "Part-time peace officer" has the meaning assigned to it in section 626.84.

Sec. 3. [367.401] [LAW ENFORCEMENT OFFICERS; APPOINTMENT; CONSTABLES; ENDING LICENSURE.]

Subdivision 1. [APPOINTMENT.] The town, by majority vote at its annual meeting, may decide to authorize the town board to form a law enforcement agency and to appoint law enforcement officers. These positions may be filled by a combination of peace officers or part-time peace officers. The number of part-time peace officers must not exceed three.

Subd. 2. [CHIEF LAW ENFORCEMENT OFFICER.] The board of supervisors shall designate one of its law enforcement officers as the chief law enforcement officer of the agency.

Subd. 3. [RESERVE OFFICERS.] A town may appoint reserve officers as defined by section 626.84.

Subd. 4. [REQUIREMENTS.] Those towns that have either peace officers or constables, or both, on August 1, 1988, are considered to have met the requirements for forming a law enforcement agency.

Sec. 4. [367.411] [PEACE OFFICER LICENSE ISSUED TO CONSTABLES.]

Subdivision 1. [LICENSE ISSUANCE.] The board of peace officer standards and training shall issue a peace officer license to a person who possesses a constable license, who is employed as a constable on August 1, 1988, and who makes written application to the board.

Subd. 2. [ABOLITION OF CONSTABLE POSITION.] The position of constable is abolished and all constable licenses are canceled on August 15, 1988.

Sec. 5. Minnesota Statutes 1986, section 367.42, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any general or local law or charter to the contrary, any deputy constable employed on or after March 23, 1982, by a political subdivision town of the state of Minnesota shall have has the following powers and duties:

- (a) to have the powers of arrest of a private person;
- (b) to perform the duties of a constable prescribed by law relative to election procedure;
- (c) to perform the following duties at the direction of the county sheriff or ~~constable~~ a peace officer:
 - (i) to inspect communication wire and cable or records of such wire and cable pursuant to section 325E.21;
 - (ii) to conduct hotel lien sales pursuant to section 327.06; and
 - (iii) to conduct public auction sales of unclaimed property pursuant to sections 345.04 and 345.05.
- (d) to ~~arrest any individual who, in the deputy constable's presence, commits a violation of the Intoxicating Liquor Act, chapter 340;~~
- (e) to provide general administrative or clerical assistance to county sheriffs, local police departments or constables; and
- (f) to ~~provide traffic or crowd control assistance to county sheriffs, local police departments or constables~~ the town's law enforcement agency.

Sec. 6. Minnesota Statutes 1986, section 367.42, is amended by adding a subdivision to read:

Subd. 3. [CRIMINAL RECORDS CHECK.] No person may be employed as a deputy constable unless the person submits proof from the sheriff that shows that the sheriff has checked the criminal records system and that the applicant has not been convicted of a felony within the past ten years.

Sec. 7. [CONTINUATION OF DUTIES AND POWERS.]

All investigations, law enforcement matters, and other business involving a person holding the position of constable on August 15, 1988, may be conducted and completed by that person holding the successor position of peace officer in the same manner and under the same terms and conditions, and with the same effect, as though they involved a person holding the position of constable before August 1, 1988.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdi-

vision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1, are repealed."

Delete the title and insert:

"A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1."

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1705, A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; appropriating money; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 7; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 349.212, by adding a subdivision; 361.03, subdivision 5; 361.27; and 473.606, subdivision 1; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 7 and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [7.011] [DUTIES.]

The state treasurer shall receive and account for all money paid into the state treasury and safely keep it until lawfully disbursed and shall have and use a seal.

Sec. 2. [7.021] [EMPLOYEES.]

The state treasurer may appoint and, at pleasure, remove a deputy treasurer, who shall serve in the unclassified service and perform the duties of the office when the treasurer is absent or disabled. The appointment must be in writing and filed with the secretary of state. The treasurer shall be liable for the acts of the deputy. The treasurer may also employ other employees in accord with chapter 43A.

Sec. 3. [7.031] [ACCOUNTS; DISBURSEMENTS.]

The state treasurer shall keep accurate accounts of receipts and disbursements in accordance with generally accepted accounting principles. The treasurer shall redeem warrants issued by the commissioner of finance and presented to the treasurer for payment. No money may be paid out of the treasury except upon the warrant of the commissioner of finance. Money lawfully deposited in banks is not considered as paid out.

Sec. 4. [7.051] [STATEMENTS.]

At the close of each business day the state treasurer shall deliver to the commissioner of finance a statement, accounting for all the treasurer's receipts and disbursements during the day in accordance with generally accepted accounting principles, accompanied by all warrants redeemed. The treasurer shall report to the legislature by November 15 of each even-numbered year, and to the governor at the governor's request, the condition of the treasury and of the treasurer's public funds in accordance with generally accepted accounting principles, including receipts and disbursements, balances on hand, and where those balances are deposited.

Sec. 5. [7.131] [COLLECTIONS.]

The treasurer may require the assistance of the attorney general to facilitate the collection of money that the treasurer is required or authorized to receive and collect. The attorney general may institute suit in the name of the state to enforce collection of the money.

Sec. 6. [7.151] [PARTIAL PAYMENTS ACCEPTED.]

The treasurer may accept partial payments of money that the treasurer is required or authorized to receive and collect. No partial payment operates as a compromise of the claim covered by the payment, and the unpaid portion remains a claim of the state as fully as if no partial payment had been made.

Sec. 7. [7.161] [DISPOSAL OF CERTAIN MONEY.]

All money received by the state treasurer in the treasurer's official capacity from persons making payment without disclosing

their identities or without direction as to application must be deposited in the state treasury and credited to the general fund. The treasurer shall keep a record of money received and credited under this section, in accordance with generally accepted accounting principles.

Sec. 8. [7.171] [REVOLVING FUND.]

A revolving fund of \$100,000 must be kept in the state treasurer's office to cash drafts, checks, and state warrants. The treasurer shall keep an accurate daily account of the fund, in accordance with generally accepted accounting principles.

Sec. 9. Minnesota Statutes 1986, section 11A.20, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] The state treasurer shall report to the commissioner of finance daily, or according to another schedule determined by the commissioner, on the funds in the state treasury together with any other information that the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has determined are advised the treasurer is currently needed, the commissioner state treasurer shall certify to the state board the amount thereof of those surplus funds.

Sec. 10. Minnesota Statutes 1986, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

(1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out exercise the rights, powers, and duties of the office;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles.

Sec. 11. Minnesota Statutes 1987 Supplement, section 16A.275, subdivision 1, is amended to read:

Subdivision 1. [IF \$250, DAILY.] Except as otherwise provided by law, an agency shall deposit receipts totaling \$250 or more in the state treasury with the treasurer daily. The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The treasurer and the commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the next month.

Notwithstanding the general rule stated above, the treasurer and commissioner of revenue is are not required to make daily deposits if (1) the volume of tax receipts cannot be processed daily with available resources, or (2) receipts cannot be immediately identified for posting to accounts.

Sec. 12. Minnesota Statutes 1986, section 16A.42, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] If the claim is approved, the commissioner shall complete and sign a warrant in the amount of the claim. The treasurer shall then accept and make the warrant negotiable by signing it.

Sec. 13. Minnesota Statutes 1986, section 16A.42, is amended by adding a subdivision to read:

Subd. 3a. [TREASURER'S DESIGNEE.] The treasurer may authorize an assistant to accept a warrant for the treasurer.

Sec. 14. Minnesota Statutes 1986, section 16A.45, subdivision 2, is amended to read:

Subd. 2. [PRESENTMENT OF CANCELED WARRANT.] When a canceled warrant is presented for payment, it shall must be paid by the treasurer and charged by the commissioner to the fund credited with the amount of the canceled warrant.

Sec. 15. Minnesota Statutes 1986, section 16A.47, is amended to read:

16A.47 [COMMISSIONER'S ACCOUNT, DOCUMENT DUTIES ACCOUNTS AND DOCUMENTS.]

The commissioner shall make and keep in the department's office a record of all accounts and documents required by law to be returned to or filed with the commissioner. The commissioner shall file and keep all official receipts and vouchers. The commissioner shall keep an account with the treasurer. The commissioner shall

charge the treasurer for all money paid into the treasury and credit the treasurer for all warrants redeemed by the treasurer and returned to the commissioner. The commissioner shall also keep an account for each appropriation, showing the disbursements. The commissioner shall keep other accounts needed to show the daily condition of state finances.

Sec. 16. Minnesota Statutes 1986, section 16A.58, is amended to read:

16A.58 [COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.]

The commissioner is the custodian of original documents on which money has been or may be paid out of the state treasury by the treasurer.

Sec. 17. Minnesota Statutes 1986, section 16A.672, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner and treasurer may issue, execute, deliver, register, and pay bonds and certificates of indebtedness in the form and manner provided in this section, when authorized under section 16A.641 or 16A.671.

Sec. 18. Minnesota Statutes 1986, section 16A.672, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF COMMERCIAL CODE.] All bonds and certificates are securities under sections 336.8-101 to 336.8-408. The commissioner and treasurer may do for the state whatever may or must be done under those sections to comply with the orders authorizing them. The bonds or certificates may be issued:

- (1) in one or more denominations;
- (2) in bearer form, with interest coupons attached; and
- (3) with provision for registration as to principal only; or
- (4) in fully registered form; and
- (5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

Sec. 19. Minnesota Statutes 1986, section 16A.672, subdivision 3, is amended to read:

Subd. 3. [PREPARATION AND EXECUTION.] (a) Bonds and certificates of indebtedness may be printed or otherwise reproduced in the style and form the commissioner prescribes. They may state in a general way the purpose for which they are issued and the security provided for their payment or may incorporate the authorizing order by reference.

(b) They must be executed by the commissioner and the treasurer under the commissioner's their official seal seals. The signature signature and seals may be a reproduced facsimile facsimiles, but no bond or certificate is valid for any purpose unless it is manually signed on its face by the commissioner or treasurer or by a duly authorized representative of a bank or trust company named by the commissioner as an agent of the state to authenticate it.

Sec. 20. Minnesota Statutes 1986, section 69.031, is amended by adding a subdivision to read:

Subd. 2a. [PAYMENT.] The state treasurer shall, upon presentation of the warrant of the commissioner of finance as provided for in this section, pay out of the general fund of the state the amount of the warrant to the auditor of the county presenting the warrant.

Sec. 21. Minnesota Statutes 1986, section 268.05, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF FINANCE STATE TREASURER TO BE CUSTODIAN; SEPARATE ACCOUNTS; BONDS.] The commissioner of finance state treasurer shall be ex officio the treasurer and custodian of the fund, administer the fund in accordance with the directions of the commissioner, and issue warrants upon it in accordance with such rules as the commissioner shall prescribe. The commissioner of finance treasurer shall maintain within the fund three separate accounts:

- (1) a clearing account;
- (2) an unemployment trust fund account; and
- (3) a benefit account.

All money payable to the fund, upon receipt thereof by the commissioner, shall be forwarded to the commissioner of finance treasurer, who shall immediately deposit them in the clearing account. All money in the clearing account, after clearance thereof, shall, except as herein otherwise provided, be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended, any provisions of law in this state relating to the

deposit, administration, release, or disbursement of money in the possession or custody of this state to the contrary notwithstanding. Refunds payable pursuant to sections 268.16, subdivision 6, and 268.04, subdivision 12, clause (8) (f), may be paid from the clearing account or the benefit account. The benefit account shall consist of all money requisitioned from this state's account in the unemployment trust fund in the United States Treasury for the payment of benefits. Except as herein otherwise provided, money in the clearing and benefit accounts may be deposited by the ~~commissioner of finance~~ treasurer, under the direction of the commissioner, in any depository bank in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. Money in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured by the depository bank to the same extent and in the same manner as required by the general depository law of this state; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of the state. All sums recovered for losses sustained by the fund shall be deposited therein in the fund.

Sec. 22. Minnesota Statutes 1986, section 361.03, subdivision 5, is amended to read:

Subd. 5. [DISPOSITION OF RECEIPTS.] All money received by the commissioner ~~shall~~ must be deposited ~~in with~~ the state treasury treasurer and ~~shall~~ be credited to the water recreation account.

Sec. 23. Minnesota Statutes 1986, section 361.27, subdivision 2, is amended to read:

Subd. 2. [FINES, BAIL MONEY.] All fines, installment payments, and forfeited bail money collected from persons convicted of violations of sections 361.01 to 361.28 shall be paid to the county treasurer of the county where the violation occurred by the court administrator of court or other person collecting the money within 15 days after the last day of the month in which they were collected. One-half of the receipts shall be credited to the general revenue fund of the county. The other one-half of the receipts shall be transmitted by the county treasurer to the ~~commissioner of natural resources~~ state treasurer to be deposited in the water recreation account in the state treasury for the purpose of boat and water safety.

Sec. 24. Minnesota Statutes 1987 Supplement, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS; MINIMUM FINES.]

Subdivision 1. [SURCHARGES AND 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 \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of 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 not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family. If the court fails to waive or impose an assessment required by this section, the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine.

Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the ~~commissioner of finance~~ state treasurer the total amount of the assessment or surcharge and the ~~commissioner~~ treasurer shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

(1) use for crime victim reparations under sections 611A.51 to 611A.68;

(2) use by the crime victim and witness advisory council established under section 611A.71; and

(3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

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~~ state treasurer, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;

(2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and

(3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the minimum fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the ~~commissioner of finance~~ state treasurer to be credited to the crime victim and witness account established in subdivision 1. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the ~~commissioner of finance~~ treasurer to be credited to the crime victim and witness account. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims. Fine proceeds credited to the crime victim and witness account may be appropriated to the crime victim and witness advisory council, and the council may use all or part of the proceeds for the purpose of providing grants to establish new victim assistance programs.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs approved by the department of corrections: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs."

Delete the title and insert:

"A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 1; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 361.03, subdivision 5; and 361.27, subdivision 2; Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101; proposing coding for new law in Minnesota Statutes, chapter 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1750, A bill for an act relating to transportation; creating

a transportation study board and prescribing its duties; appropriating money.

Reported the same back with the following amendments:

Page 3, line 24, delete "June 30" and insert "January 1"

Page 3, line 28, delete "June 30" and insert "January 1"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1757, A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

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 3.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [COMMISSIONER'S INTEREST INDEX.] "Commissioner's interest index" means an interest rate that is 3.5 percent above the current lending rate of the Federal Intermediate Credit Bank to production credit associations as certified each month by the commissioner.

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan and meets all qualifications established in section 2 and any further qualifications that may be established in the guidelines adopted by the commissioner under section 6, subdivision 1.

An eligible borrower must have a loan balance with a participating lender between January 1, 1988, and June 30, 1989.

Subd. 6. [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.

Subd. 7. [FARMER.] "Farmer" means a state resident or a domestic family farm corporation as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 8. [INTEREST RATE BUY-DOWN.] "Interest rate buy-down" means a reduction in the effective interest rate on a farm operating loan to an eligible borrower due to partial payment of interest costs by the commissioner.

Subd. 9. [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, or another financial institution approved by the commissioner.

Subd. 10. [LENDER AGRICULTURAL LOAN INDEX.] "Lender agricultural loan index" means the weighted average effective interest rate charged by the lender on all agricultural operating loans originated or renewed during the previous four months.

Subd. 11. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Sec. 2. [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. [NET WORTH STATEMENT.] Only a farmer with a calculated net worth of \$200,000 or less is an eligible borrower for purposes of interest rate buy-down. The net worth must be determined by the lender and must be based on a financial statement prepared not more than six months prior to the date of the loan application.

Subd. 3. [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. 4. [ENROLLMENT IN ADULT FARM MANAGEMENT PROGRAM.] To be an eligible borrower, a farmer shall agree to enroll in an approved adult farm management program if enrollment is required by the lender and an approved program is offered not more than 50 miles from the farmer's residence. The approved adult farm management program must bill the lender for one-half of the course tuition.

Sec. 3. [LENDER ELIGIBILITY; OBLIGATIONS.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be certified as a participating lender.

Subd. 2. [PARTIAL PAYMENT FOR ADULT FARM MANAGEMENT TRAINING.] A participating lender shall require an eligible borrower to enroll in an approved adult farm management program and agree to pay one-half of the enrollment and tuition costs of the program for an eligible borrower approved by the commissioner for interest rate buy-down unless the participating lender determines an approved adult farm management program would not benefit the borrower. 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.

If a participating lender determines that enrollment in an adult farm management program would not benefit the borrower or an approved adult farm management program is not located within 50 miles from the debtor's residence, the lender shall explain the reasons to the borrower in writing and indicate the determination on the application.

Subd. 3. [RECEIPT OF APPLICATIONS FOR INTEREST RATE BUY-DOWN.] (a) A participating lender shall receive and evaluate loan applications from a farmer:

(1) who has transacted farm-related borrowing with a lender within the previous three years;

(2) who has not previously established farm-related borrowing; or

(3) whose previous lender is no longer in the business of making farm-related loans.

(b) In determining whether to make a farm operating loan to a farmer, the participating lender may use criteria in addition to those in section 2.

Subd. 4. [LENDER APPROVAL OF FARM OPERATION FINANCIAL STATEMENTS.] A participating lender must require that a farmer who applies for a farm operating loan under the interest rate buy-down program provide a financial statement suitable for determining debt-to-asset ratios and net worth for the farming operation. A financial statement determined by the participating lender to be suitable is deemed to be suitable, reasonable, and accurate without further audit or substantiation.

Subd. 5. [MAXIMUM INTEREST RATE.] To qualify for interest rate buy-down payments, a participating lender shall 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, but the interest rate may not exceed the current commissioner's interest index. 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. 4. [STATE CONTRIBUTION TO INTEREST RATE BUY-DOWN.]

To be eligible for state interest rate buy-down payments under sections 1 to 6, a participating lender must submit to the commissioner a properly completed application form for each eligible farm operating loan.

The commissioner shall pay to a participating lender for the first \$60,000 of an approved farm operating loan made to an eligible borrower an amount equal to an annual rate of four percent interest on the loan, less any reduction in interest rate provided by the participating lender pursuant to section 5.

Sec. 5. [LENDER CONTRIBUTION TO INTEREST BUY-DOWN.]

(a) If the lender's lender agricultural loan index is at or above the commissioner's interest index, the lender must provide a reduction in interest rate for the first \$60,000 of an approved farm operating loan made to an eligible borrower an amount equal to an annual rate of two percent interest on the loan.

(b) For each 0.1 percent that the lender's lender agricultural loan

index falls below the commissioner's interest index, the lender's obligation to provide a reduction in interest rate as provided in clause (a) is reduced by 0.100 percent.

Sec. 6. [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.] Within 30 days after the effective date of sections 1 to 6, the commissioner shall adopt and make available to the public guidelines for the farm operating loan interest buy-down program. Adoption of the program guidelines is not subject to Minnesota Statutes, chapter 14.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner shall prepare and distribute forms and instructions for the farm operating loan interest buy-down program to all lenders in the state. The forms must be designed to gather from the participating lender and the farmer information in sufficient detail for the commissioner to determine significant characteristics of the participants and their farming operations.

Subd. 3. [APPROVAL OF ADULT FARM MANAGEMENT PROGRAMS.] The commissioner, in consultation with the commissioner of agriculture, shall prepare a list of adult farm management training programs approved for eligible borrowers and distribute the list to all participating lenders.

Subd. 4. [APPROVAL OF APPLICATIONS FOR BUY-DOWN PAYMENT.] (a) The commissioner shall review within five working days of submission by a participating lender a properly completed application for interest rate 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 interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest rate buy-down program funds have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.

Subd. 5. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] The commissioner shall pay one-half of the expected interest rate buy-down amount when requested by the participating lender, but not more than 60 days after the application was approved by the commissioner, and the balance within 30 days after request for final payment has been received. All interest buy-down payments under

sections 1 to 6 must be made by joint payee checks in the name of the participating lender and the eligible borrower.

Subd. 6. [REVIEW OF FARMER ELIGIBILITY.] The commissioner shall, not later than March 1, 1989, complete a review of a statistically significant random sample of participants in the interest rate buy-down program for 1988. The purpose of the review is to determine the extent to which eligibility criteria have been adhered to by lenders and farmers. The commissioner must report a summary of the findings to the chair of the house agriculture committee and the chair of the senate agriculture committee.

Sec. 7. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$7,000,000 is appropriated from the unencumbered balance of the appropriation for the 1986 and 1987 interest buy-down program for program year 1988 to the commissioner of commerce for the interest rate buy-down program, of which \$160,000 is for administration of the program in sections 1 to 6. Any unencumbered balance remaining in a fiscal year must not be canceled and remains available to pay amounts due under approved applications received during the rest of that calendar year.

Subd. 2. [PRIORITIES; LIMITATION.] Applications take priority in the order they were received by the commissioner. The commissioner shall not approve an application under sections 1 to 6 once the appropriation for that program has been committed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after "establishing" insert "eligibility criteria and"

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1766, A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 12, before "vote" insert "the affirmative" and after "vote" insert "of the electors"

Page 1, line 12, strike "its" and insert "the" and after "annual" insert "town meeting"

Page 1, line 12, after "or" insert "at"

Page 1, line 13, after "special" insert "town"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 15, after "individual" insert "believes"

Page 1, line 16, delete "believes" and delete "or burial"

Page 1, line 17, delete "documents"

Page 1, line 18, after "(2)" insert "the individual"

Page 2, line 4, delete "subdivision" and insert "section"

Page 2, line 6, delete "a copy of"

Page 2, line 7, delete "furnished by that person"

Page 2, delete line 13

Page 2, line 15, delete "(7)" and insert "(6)"

Page 2, after line 17, insert:

“(d) For purposes of this section, the term “will” includes a will or a codicil.”

Page 2, line 18, delete “(d)” and insert “(e)”

Page 2, line 19, delete “or codicil”

Page 2, line 23, delete “or codicil”

Page 2, line 24, delete “The safe deposit company may”

Page 2, delete line 25

Page 2, line 26, delete “person.”

Page 2, line 28, delete “(e)” and insert “(f)”

Page 2, line 30, after “subdivision” insert “and when acting in reliance upon an affidavit, it is discharged as if it dealt with the personal representative of the lessee. If the safe deposit company is not satisfied that the requirements of this subdivision have been met, it may decline to open the box”

Page 2, line 30, delete “The safe deposit company’s determination of”

Page 2, delete lines 31, 32, and 33

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1806, A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1826, A bill for an act relating to transportation; authorizing issuance of bonds to establish a fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Page 5, line 2, before "section" insert "this" and delete "2"

Page 5, line 3, delete everything after "On"

Page 5, line 4, delete "thereafter" and insert "taking title to lands acquired under this section"

Page 5, line 6, delete "unencumbered balances" and insert "money"

Page 5, line 8, delete everything after the period and insert "The amount of money transferred must equal the loan amount made available to acquire the lands under this section."

Page 5, delete lines 9 to 12

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1836, A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, line 16, after "by" insert "competent and reliable evidence, including"

Page 1, line 24, after "by" insert "competent and reliable evidence, including"

Page 1, line 25, after the period insert "This section does not apply when the defendant challenges the validity of the prior conviction on the basis that the defendant's constitutional rights were violated during the prior proceedings."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1841, A bill for an act relating to game and fish; imposing a fee for issuance of game and fish stamps; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1846, A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115A.882] [INSPECTION OF RECORDS.]

A person authorized by a county in which a designation is effective may, upon presentation of identification and without a search warrant, inspect or copy records of an owner or operator of any waste facility in the state that contain information regarding the volume, type, origin, weight, and date and time of weighing. A person who fails to open the records referred to in this section for inspection and copying is guilty of a misdemeanor."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1853, A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1886, A bill for an act relating to crime; increasing penalties for selling or renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.80, is amended to read:

609.80 [INTERFERING WITH CABLE COMMUNICATIONS SYSTEMS.]

Subdivision 1. [MISDEMEANOR.] Whoever does any of the following is guilty of a misdemeanor:

(1) without receiving or seeking to receive money or any other thing of value in exchange, intentionally and with the purpose of making or aiding in an unauthorized connection as defined in prohibited by section 609.52, subdivision 2, clause (12) to a licensed cable communications system as defined in chapter 238 sells, rents, lends, offers, or advertises for sale, rental or use, gives to another any instrument, apparatus, equipment, or device designed to make such an unauthorized connection, or any plan, specification, or instruction for making such an unauthorized connection; or

(2) intentionally tampers with, removes or injures any cable, wire, or other component of a licensed cable communications system as defined in chapter 238; or

(3) intentionally and without claim of right interrupts a service of a licensed cable communications system as defined in chapter 238.

Subd. 2. [COMMERCIAL ACTIVITY; FELONY.] Whoever sells or rents, or offers or advertises for sale or rental any instrument, apparatus, equipment, or device designed to make an unauthorized connection as prohibited by section 609.52, subdivision 2, clause (12), to a licensed cable communications system as defined in chapter 238, or any plan, specification, or instruction for making such an unauthorized connection, 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.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date.

Delete the title and insert:

“A bill for an act relating to crime; increasing penalties for advertising, selling, and renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 537, A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 169.121, is amended by adding a subdivision to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] If a person has been convicted under this section, section 169.129, an ordinance in

conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of violating this section or an ordinance in conformity with it (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail.

Notwithstanding section 609.135, the above sentence must be executed, unless prior to sentencing the prosecutor files a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons. When presented with the motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum term of imprisonment established by this subdivision. When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record.

Sec. 2. [STUDY OF MANDATORY MINIMUM SENTENCING PROVISION.]

The state planning agency shall monitor the implementation and use of the mandatory minimum sentencing provisions contained in section 169.121, subdivision 3a, and shall report to the legislature by January 1, 1990, with its findings and recommendations, if any.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date. Section 2 is effective August 1, 1988.

Delete the title and insert:

“A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; requiring a report; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 453, 1705, 1740, 1766, 1790, 1806, 1836, 1841, 1846, 1853 and 1886 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 537 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Munger, Jaros, Ogren, Boo and Murphy introduced:

H. F. No. 1949, A bill for an act relating to appropriations; appropriating money to the commissioner of finance for loan to the western Lake Superior sanitary district.

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

Price and Solberg introduced:

H. F. No. 1950, A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, section 112.43, subdivision 1.

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

Johnson, A.; Lasley and Bennett introduced:

H. F. No. 1951, A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

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

Johnson, A.; Jefferson; Kalis and Haukoos introduced:

H. F. No. 1952, A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

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

Bennett introduced:

H. F. No. 1953, A bill for an act relating to the metropolitan area; authorizing coordinated erosion and sediment control programs by water management organizations and the Association of Metropolitan Soil and Water Conservation Districts.

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

Lieder; Kalis; Carlson, D.; Johnson, A., and Seaberg introduced:

H. F. No. 1954, A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

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

Bauerly; McEachern; Johnson, A., and Krueger introduced:

H. F. No. 1955, A bill for an act relating to education; reinstating a capital expenditure levy for leasing buildings; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

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

Blatz, Kelly, Vellenga, Wagenius and Bishop introduced:

H. F. No. 1956, A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Wagenius, Seaberg, Vellenga, Dawkins and Swenson introduced:

H. F. No. 1957, A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Redalen, Hugoson, Omann, Swenson and DeRaad introduced:

H. F. No. 1958, A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

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

DeBlicke, Cooper, Steensma and Dauner introduced:

H. F. No. 1959, A bill for an act relating to education; restoring to school districts the authority to decide when to start the school year; repealing Minnesota Statutes 1986, section 126.12, subdivision 1.

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

Vellenga and McKasy introduced:

H. F. No. 1960, A bill for an act relating to libraries; dedicating the Warren E. Burger Library chamber to the citizens of Minnesota; appropriating money.

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

Blatz and Quinn introduced:

H. F. No. 1961, A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

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

Wagenius, Sarna, Blatz, Scheid and Osthoff introduced:

H. F. No. 1962, A bill for an act relating to commerce; prohibiting exclusion or modification of implied warranties of fitness and merchantability by sellers and installers of home heating systems; prohibiting limitation of damages or remedies for breach of an implied warranty in a contract for sale or installation of a home heating system; 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.

Valento, Pauly, Clausnitzer, Himle and Jennings introduced:

H. F. No. 1963, A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

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

Valento, Pauly, Clausnitzer, Himle and Jennings introduced:

H. F. No. 1964, 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.

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

Valento, Himle, Pauly, Dempsey and Redalen introduced:

H. F. No. 1965, A bill for an act relating to taxation; repealing contingent income and franchise tax increase provision; repealing Laws 1987, chapter 268, article 18, section 5.

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

Blatz introduced:

H. F. No. 1966, A bill for an act relating to zoning; providing for filing requirements of variances to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

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

Johnson, V.; Poppenhagen and Haukoos introduced:

H. F. No. 1967, 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.

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

Dempsey, Sviggum, Schafer, Hugoson and Bennett introduced:

H. F. No. 1968, 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.

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

Gruenes introduced:

H. F. No. 1969, A bill for an act relating to traffic regulations; defining "urban district" to provide for speed limits in cities; amending Minnesota Statutes 1986, section 169.01, subdivision 59.

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

Gruenes, Onnen, Boo, Tjornhom and Omann introduced:

H. F. No. 1970, A bill for an act relating to taxation; income; providing a credit for long-term care policy premiums; appropriating money; amending Minnesota Statutes 1986, section 290.06, by adding a subdivision.

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

Gruenes, Vellenga, Carruthers and Dempsey introduced:

H. F. No. 1971, A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, section 525.54, by adding a subdivision.

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

Gruenes introduced:

H. F. No. 1972, A bill for an act relating to taxation; property; allowing transfers of land to cities without payment of tax on the entire parcel; amending Minnesota Statutes 1987 Supplement, section 272.121.

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

Kinkel; Solberg; Carlson, D.; Begich and Johnson, R., introduced:

H. F. No. 1973, A bill for an act relating to natural resources; regulating fish spearing on lakes within Indian reservations; amending Minnesota Statutes 1986, section 97C.371, by adding a subdivision.

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

Poppenhagen; DeRaad; Olsen, S., and Waltman introduced:

H. F. No. 1974, A bill for an act relating to taxation; income; restoring the pension exclusion and removing age limits; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing

Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Poppenhagen, Frederick, DeRaad and Waltman introduced:

H. F. No. 1975, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Bishop, Frerichs, Kalis, Brown and Lieder introduced:

H. F. No. 1976, A bill for an act relating to transportation; discontinuing and removing legislative route from trunk highway system.

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

Blatz, Riveness and Himle introduced:

H. F. No. 1977, A bill for an act relating to education; allowing transportation of walking pupils in certain circumstances; amending Minnesota Statutes 1986, section 123.39, by adding a subdivision.

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

Marsh, Kalis, Rose, Jennings and Johnson, R., introduced:

H. F. No. 1978, A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.

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

Solberg; Sparby; Milbert; Anderson, R., and Bennett introduced:

H. F. No. 1979, A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

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

Kalis; Pelowski; Olson, K., and Steensma introduced:

H. F. No. 1980, A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

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

Kalis, Seaberg and Rodosovich introduced:

H. F. No. 1981, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Shaver and Heap introduced:

H. F. No. 1982, A bill for an act relating to workers' compensation; providing for the calculation of compensation for volunteer firefighters; amending Minnesota Statutes 1986, section 176.011, subdivision 3.

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

Kelly, Pappas and Seaberg introduced:

H. F. No. 1983, A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Welle; Nelson, D.; Cooper and Wenzel introduced:

H. F. No. 1984, A bill for an act relating to agriculture; regulating bottled water and water vending machines; 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.

Ogren and Carlson, D., introduced:

H. F. No. 1985, A bill for an act relating to natural resources; specifying the procedure to be used by the state for acquiring land by gift; amending Minnesota Statutes 1986, section 97A.145, subdivision 2.

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. 1986, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

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

Forsythe and Pauly introduced:

H. F. No. 1987, A bill for an act relating to retirement; authorizing a certain teacher to purchase credit for certain prior service.

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

Welle; Kelly; Krueger; Nelson, C., and Osthoff introduced:

H. F. No. 1988, A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Trimble, Dorn, Boo, Jaros and Long introduced:

H. F. No. 1989, A bill for an act relating to education; creating a task force on child care in higher education.

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

Kalis and Hartle introduced:

H. F. No. 1990, A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route, subject to turnback agreement; directing revisor of statutes to make route substitution.

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

Sparby, Redalen and Wenzel introduced:

H. F. No. 1991, A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

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

Rukavina; Johnson, R., and Dauner introduced:

H. F. No. 1992, A bill for an act relating to environment; authorizing the pollution control agency to train certain persons involved with sewage treatment systems and to charge a training fee; appropriating money; amending Minnesota Statutes 1986, section 115.03, subdivision 1.

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

Johnson, A.; Kelso; Nelson, C.; McEachern and Rest introduced:

H. F. No. 1993, A bill for an act relating to education; requiring a state board of education rule on elementary school preparation time.

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

Forsythe, Gruenes, Segal and Greenfield introduced:

H. F. No. 1994, A bill for an act relating to health care; establishing an advisory council on bio-ethics; setting its membership; assigning its duties; authorizing support staff; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Skoglund, Kelly, Bishop, Greenfield and Carruthers introduced:

H. F. No. 1995, A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

Reding and Jensen introduced:

H. F. No. 1996, A bill for an act relating to consumer protection; regulating cemeteries, mausoleums, and prearranged funeral services; requiring the establishment of a construction fund account; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

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

Uphus; Waltman; Olson, K.; Schafer and Sparby introduced:

H. F. No. 1997, A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance

companies; amending Minnesota Statutes 1987 Supplement, section 60A.15, subdivision 1.

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

Johnson, V.; Solberg and Pelowski introduced:

H. F. No. 1998, A bill for an act relating to human services; retaining community work experience program; amending Minnesota Statutes 1987 Supplement, section 256.737, subdivision 1.

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

Murphy, Heap, O'Connor, Dauner and Begich introduced:

H. F. No. 1999, A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

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

Shaver introduced:

H. F. No. 2000, A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

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

McEachern and Bauerly introduced:

H. F. No. 2001, A bill for an act relating to education; removing permission to comply with state board curriculum rules by offering summer electives; repealing Minnesota Statutes 1987 Supplement, section 121.11, subdivision 16.

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

Quist, Hugoson, Onnen, Gutknecht and Thiede introduced:

H. F. No. 2002, A bill for an act relating to health; prohibiting the promotion of certain sexual activity; requiring AIDS testing for marriage license applications; prohibiting an environment that promotes sodomy; providing penalties; amending Minnesota Statutes 1986, sections 144.065; 517.08, subdivision 1a; and 609.293, subdivision 1, and by adding a subdivision.

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

Thiede, by request, introduced:

H. F. No. 2003, A bill for an act relating to drivers' licenses; requiring habitual violators of traffic regulations to be reexamined for a driver's license; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 171.29, subdivision 1; and 171.30, subdivision 3; Minnesota Statutes 1987 Supplement, sections 171.17; and 171.30, subdivision 1.

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

Richter introduced:

H. F. No. 2004, A bill for an act relating to human services; creating an exception to the moratorium on certification of new medical assistance nursing home beds.

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

Richter introduced:

H. F. No. 2005, A bill for an act relating to local government; providing for detachment of cities and towns from hospital districts; amending Minnesota Statutes 1987 Supplement, section 447.38, subdivision 2.

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

Vellenga, Kelly and Wagenius introduced:

H. F. No. 2006, A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases;

requiring prosecutors to notify domestic violence victims of a decision to decline prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

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

Bauerly, McEachern and Peterson introduced:

H. F. No. 2007, A bill for an act relating to traffic regulations; providing for safety of school safety patrol members; amending Minnesota Statutes 1986, section 169.21, subdivision 2.

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

Johnson, A.; Osthoff and Scheid introduced:

H. F. No. 2008, A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

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

McDonald introduced:

H. F. No. 2009, A bill for an act relating to taxation; income; restoring the pension exclusion and repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Scheid, McKasy, Osthoff and Vellenga introduced:

H. F. No. 2010, A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the

expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

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

Clark introduced:

H. F. No. 2011, A bill for an act relating to government data practices; defining employment and training data as private data on individuals; defining employment and training service providers; defining employment and training services; providing for the dissemination of employment and training data; amending Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Nelson, C.; Anderson, R.; Bertram; Bauerly and Cooper introduced:

H. F. No. 2012, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

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

Kelso; Minne; Nelson, C.; Knuth and Kostohryz introduced:

H. F. No. 2013, A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxable retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Bauerly; Nelson, K.; McEachern; Kelso and Price introduced:

H. F. No. 2014, A bill for an act relating to school districts; creating a debt service anticipation levy; amending Minnesota Statutes 1986, sections 121.15, subdivision 3; 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.

Tunheim introduced:

H. F. No. 2015, A bill for an act relating to education; increasing the general education formula allowance; providing for general education levies; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; and 124A.23, subdivisions 2, 3, and by adding subdivisions; 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.

Rukavina and Munger introduced:

H. F. No. 2016, A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

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

Riveness; Rest; Johnson, R.; Minne and McLaughlin introduced:

H. F. No. 2017, A bill for an act relating to taxation; income; allowing a credit for elderly and disabled taxpayers; repealing the piggy-back federal elderly and disabled credit; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Dille, Krueger and Wenzel introduced:

H. F. No. 2018, A bill for an act relating to agriculture; clarifying

and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.15, subdivision 2; 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

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

Clark, Jefferson and McLaughlin introduced:

H. F. No. 2019, A bill for an act relating to housing; enabling counties and cities to establish low income housing trust funds; assessing a mortgage registry tax to finance the low income housing trust fund, and providing for the uses of the funds; amending Minnesota Statutes 1986, sections 287.05, by adding a subdivision; and 287.12; proposing coding for new law in Minnesota Statutes, chapters 373 and 462.

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

Jacobs, Minne, Quinn, Redalen and Osthoff introduced:

H. F. No. 2020, A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

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

Blatz, Kelly, DeRaad and Rest introduced:

H. F. No. 2021, A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivision 5, and by

adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

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

Lasley introduced:

H. F. No. 2022, A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, subdivision 1.

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

Johnson, A.; Simoneau; Knuth and Rose introduced:

H. F. No. 2023, A bill for an act relating to education; appropriating money for a grant to independent school district Nos. 13, 14, 16, and 282.

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

Jaros, Munger, Boo, Price and Marsh introduced:

H. F. No. 2024, A bill for an act relating to transportation; excluding certain publically owned transit buses from certain definitions of school bus; amending Minnesota Statutes 1986, sections 169.01, subdivision 6; and 171.01, subdivision 21.

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

Begich introduced:

H. F. No. 2025, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

McDonald and Munger introduced:

H. F. No. 2026, A bill for an act relating to the environment; prohibiting the sale of certain plastic containers; providing penal-

ties; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Omann, Tompkins, Frederick, Swenson and Stanius introduced:

H. F. No. 2027, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

Olsen, S.; McPherson; Tjornhom; Richter and Uphus introduced:

H. F. No. 2028, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

Nelson, K.; Bauerly; Olsen, S.; McEachern and Ozment introduced:

H. F. No. 2029, A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.214, subdivision 2; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.214, subdivision 3; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245,

subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

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

Steensma, Rice, Murphy, McPherson and Pelowski introduced:

H. F. No. 2030, A bill for an act relating to transportation; removing restrictions on the funding of tourist information centers; repealing Minnesota Statutes 1987 Supplement, section 161.52.

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

Nelson, D.; Long; Ozment; Larsen and Anderson, R., introduced:

H. F. No. 2031, A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.61, subdivision 5; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.919; 115B.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916;

115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 116.55; and 116M.07, subdivision 14.

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

Otis; Vellenga; Clark; Johnson, R., and Carlson, D., introduced:

H. F. No. 2032, A bill for an act relating to education; establishing an Indian school council to establish opportunities for Indian control of Indian education through optional means; requiring the council to make certain recommendations; appropriating money.

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

Welle; Nelson, K.; Kelly and Neuenschwander introduced:

H. F. No. 2033, A bill for an act relating to taxation; changing property tax classifications; establishing equalization aids for municipalities and counties; modifying school aids and levies; providing state payment of income maintenance programs; changing property tax refund schedules; abolishing certain aids and credits; appropriating money; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256B.041, subdivision 5; 256D.03, subdivision 6; 256D.36, subdivision 1; 273.13, by adding subdivisions; 273.40; 279.01, as amended; 290A.03, by adding subdivisions; 290A.23; 477A.011, subdivisions 11, 13, and by adding subdivisions; and 477A.012, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 124.155, subdivision 2; 124.2131, subdivision 1; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 256D.37, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.07, subdivisions 1 and 2; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.1102, subdivision 2; 273.1104, subdivision 1; 273.123, subdivisions 1, 4, and 5; 273.124, subdivisions 8, 11, and 13; 273.1392; 273.1393; 273.165, subdivision 2; 275.50, subdivisions 2 and 5; 275.51, subdivision 3h; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivision 2; 473.446, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; 477A.011, subdivision 7; 477A.012, subdivision 1; and 477A.013; proposing coding for new law in Minnesota Statutes, chapters 124; 273; and 477A; repealing Minnesota Statutes 1986,

sections 256.965; 273.13, subdivision 30; 477A.011, subdivisions 4, 5, 6, 7a, 10, 12, and 14; and 477A.03, subdivision 1; Minnesota Statutes 1987 Supplement, sections 124.2131, subdivision 2; 245.775; 256D.22; 256G.05, subdivision 1; 256G.07, subdivision 4; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.125, subdivision 22; 290A.04, subdivisions 2a and 2b; and 477A.013, subdivision 2; Laws 1987, chapters 268, article 5, section 4; and 291, section 208.

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

Milbert and Ogren introduced:

H. F. No. 2034, A bill for an act relating to health; establishing summer temperature and humidity requirements for nursing homes; creating a review process for nursing home air conditioning and ventilation projects; requiring a report; appropriating money; amending Minnesota Statutes 1986, sections 144A.08, by adding a subdivision; and 256B.431, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144A.

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

Simoneau introduced:

H. F. No. 2035, A bill for an act relating to credit unions; creating a credit union supervisory board to supervise and regulate credit unions; authorizing the appointment of a commissioner of credit unions; transferring the supervision of credit unions from the commissioner of commerce to the commissioner of credit unions; prescribing the commissioner's powers and duties; amending Minnesota Statutes 1986, sections 46.01, subdivision 1; 46.04, subdivision 1; 46.05; 46.07, subdivision 2; 46.09, subdivisions 1 and 2; 46.131, subdivisions 2 and 8; 46.23, subdivision 4; 52.01; 52.02, subdivision 3; 52.03, subdivision 3; 52.04, subdivision 1; 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; 52.21; 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.

Carruthers, Swenson, Milbert, Bertram and Kelly introduced:

H. F. No. 2036, A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

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

McLaughlin, Clark and Jefferson introduced:

H. F. No. 2037, A bill for an act relating to human services; implementing minority child heritage protection act; requiring minority councils to review placement data; requiring rule revision; planning for permanency; improving recruitment of minority adoptive and foster care families; designating recruitment specialist; requiring out-of-home placement reports; creating task force; requiring training of adoption and foster care families and workers; providing grants for support services; expanding definition of "relative" for purposes of placement priority; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256F.03, subdivision 8; 257.071, subdivisions 2, 3, and by adding a subdivision; 257.072; and 260.015, subdivision 13; Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 257.071, subdivision 6.

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

McLaughlin, Clark and Jefferson introduced:

H. F. No. 2038, A bill for an act relating to employment; regulating youth employment programs; providing for compensation at the state or federal minimum wage; regulating employment contracts; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34.

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

Cooper, Lasley, Winter, Dille and Simoneau introduced:

H. F. No. 2039, A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota

Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

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

Johnson, A., and Greenfield introduced:

H. F. No. 2040, A bill for an act relating to human services; authorizing grants for additional semi-independent living services; appropriating money; amending Minnesota Statutes 1986, section 252.275, by adding a subdivision.

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

Brown, Wenzel, Cooper, Steensma and Dauner introduced:

H. F. No. 2041, A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; requiring certain reports; prescribing a civil penalty; amending Minnesota Statutes 1986, section 500.24, subdivisions 3 and 4; and Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

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

Pappas, Swenson and DeRaad introduced:

H. F. No. 2042, A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing an administrative hearing for certain violations by officers or directors; giving members access to the membership list; amending Minnesota Statutes 1986, sections 317.22, subdivision 4; and 317.28; proposing coding for new law in Minnesota Statutes, chapter 317.

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

Trimble; Pelowski; Begich; Nelson, K., and Vellenga introduced:

H. F. No. 2043, A bill for an act relating to education; appropriating money to the labor studies and resource center to train teachers in labor history and in the role of labor in the economy.

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

Winter, Bauerly, Dauner, DeBlicek and Tunheim introduced:

H. F. No. 2044, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Minne introduced:

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

Hartle introduced:

H. F. No. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

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

Hartle introduced:

H. F. No. 2047, A bill for an act relating to transportation; exempting private carriers from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 2.

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

McKasy, Boo, Sviggum and Bennett introduced:

H. F. No. 2048, A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

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

Sparby, O'Connor, McKasy, Bertram and Milbert introduced:

H. F. No. 2049, A bill for an act relating to commerce; motor vehicles; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; and 168.27, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80E.

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

Jennings, Redalen, Jacobs, Jensen and Rose introduced:

H. F. No. 2050, A bill for an act relating to utilities; providing procedures for changing rates for noncompetitive telephone services; requiring report to the legislature; amending Minnesota Statutes 1987 Supplement, section 237.62, subdivision 1.

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

Price and Beard introduced:

H. F. No. 2051, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; authorizing lotteries and the sale of lottery tickets under certain circumstances; providing for the expenditures of the net revenues for certain environmental purposes; proposing coding for new law in Minnesota Statutes, chapter 116D.

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

Cooper, Sviggum, Neuenschwander, Vanasek and Long introduced:

H. F. No. 2052, A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1986, section 69.031,

subdivision 3; Minnesota Statutes 1987 Supplement, sections 60A.15, subdivision 1; and 69.021, subdivision 5.

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

Solberg introduced:

H. F. No. 2053, A bill for an act relating to water; requiring certain mining company pumps to comply with applicable permit requirements.

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

Solberg, Orenstein and Bishop introduced:

H. F. No. 2054, A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivisions 2, 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.074; 363.091; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.03, subdivision 1; 363.06, subdivision 1; and 363.071, subdivision 2.

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

Otis and Nelson, K., introduced:

H. F. No. 2055, A bill for an act relating to education; making changes in the budget law relating to special school district No. 1, Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, as amended.

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

Long and Jefferson introduced:

H. F. No. 2056, A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

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

Bertram, Redalen, Dille, Wenzel and Olson, K., introduced:

H. F. No. 2057, A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Peterson, Welle, Price, Bauerly and Gruenes introduced:

H. F. No. 2058, A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 912, Milaca.

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

Pappas and Vellenga introduced:

H. F. No. 2059, A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

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

DeRaad, Poppenhagen, Knickerbocker, Marsh and McKasy introduced:

H. F. No. 2060, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

Begich, Beard, Sarna, Rice and Vanasek introduced:

H. F. No. 2061, A bill for an act relating to workers' compensation; providing a single type of benefit for permanent partial disabilities;

requiring all employers to purchase workers' compensation insurance from the state insurance fund; amending Minnesota Statutes 1986, sections 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 3e, 3f, 3i, 3j, 3l, 3r, and by adding a subdivision; 176.185, by adding a subdivision; 176.221, subdivision 6a; 176A.03, subdivision 2; Minnesota Statutes 1987 Supplement, sections 176.179; and 176A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3g, 3m, 3o, 3p, 3q, 3s, and 3t; and 176.105.

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

Jefferson, Greenfield, Boo, Ogren and Kelso introduced:

H. F. No. 2062, A bill for an act relating to human services; establishing a demonstration project; requiring an evaluation and report; appropriating money.

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

Jefferson, Dawkins, Tjornhom, Ogren and Murphy introduced:

H. F. No. 2063, A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

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

CONSENT CALENDAR

POINT OF ORDER

Dempsey raised a point of order pursuant to House Rule 1.16 relating to the time limit for consideration of bills and that H. F. No. 1773 was not in order. The Speaker ruled the point of order not well taken and H. F. No. 1773 in order.

H. F. No. 1773, A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order;

providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Kostohryz	Omann	Skoglund
Anderson, R.	Greenfield	Krueger	Onnen	Solberg
Battaglia	Gruenes	Larsen	Orenstein	Sparby
Bauerly	Gutknecht	Lasley	Osthoff	Stanius
Beard	Hartle	Lieder	Otis	Steenasma
Begich	Haukoos	Long	Ozment	Sviggum
Bennett	Heap	Marsh	Pauly	Swenson
Bertram	Himle	McDonald	Peterson	Thiede
Bishop	Hugoson	McEachern	Poppenhagen	Tjornhom
Boo	Jacobs	McKasy	Price	Tompkins
Brown	Jaros	McLaughlin	Quinn	Tunheim
Burger	Jefferson	McPherson	Quist	Uphus
Carlson, D.	Jennings	Milbert	Redalen	Valento
Carlson, L.	Jensen	Miller	Reding	Vellenga
Carruthers	Johnson, A.	Morrison	Rice	Voss
Cooper	Johnson, R.	Munger	Richter	Wagenius
Dauner	Johnson, V.	Murphy	Rodosovich	Waltman
Dawkins	Kahn	Nelson, C.	Rose	Welle
DeBlieck	Kalis	Nelson, K.	Rukavina	Wenzel
Dempsey	Kelly	Neuenschwander	Sarna	Winter
DeRaad	Kelso	O'Connor	Schafer	Wynia
Dille	Kinkel	Ogren	Scheid	Spk. Vanasek
Dorn	Kludt	Olsen, S.	Seaberg	
Forsythe	Knickerbocker	Olsen, E.	Segal	
Frederick	Knuth	Olsen, K.	Simoneau	

The bill was passed and its title agreed to.

Uphus was excused at 2:25 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek 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. 421 and 1754 were recommended to pass.

S. F. No. 236 was recommended to pass.

H. F. No. 297 was recommended for progress.

On the motion of Wynia the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Clark moved that the name of Vellenga be added as chief author on H. F. No. 1552. The motion prevailed.

Bishop moved that the name of Vellenga be stricken as an author on H. F. No. 1647. The motion prevailed.

Price moved that the name of Bishop be added as an author on H. F. No. 1846. The motion prevailed.

Clark moved that the name of Segal be added as an author on H. F. No. 1893. The motion prevailed.

Hartle moved that the name of Frerichs be added as an author on H. F. No. 1919. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 1924. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 1937. The motion prevailed.

Otis moved that H. F. No. 1815 be recalled from the Committee on Economic Development and Housing and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Kelso moved that H. F. No. 1752 be recalled from the Committee on Metropolitan Affairs and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Pelowski, Rest, Burger and Trimble introduced:

House Resolution No. 47, A House resolution recognizing the Minnesota silver-haired legislature.

The resolution was referred to the Committee on Rules and Legislative Administration.

Rest; Long; Carlson, L.; Segal and Blatz introduced:

House Resolution No. 48, A House resolution declaring March 6 to 13, 1988, as Volunteers of America Week.

The resolution was referred to the Committee on Rules and Legislative Administration.

MOTION TO TAKE FROM THE TABLE

Vellenga moved that S. F. No. 121 be taken from the table and be placed upon its final passage. The motion prevailed.

MOTION FOR RECONSIDERATION

Frerichs moved that the action whereby S. F. No. 121 was given its third reading be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Frerichs motion and the roll was called. There were 51 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Johnson, R.	Olson, E.	Rukavina
Anderson, R.	Dille	Johnson, V.	Olson, K.	Sarna
Begich	Frederick	Kinkel	Omann	Schafer
Bertram	Frerichs	Kostohryz	Onnen	Sparby
Brown	Gruenes	Lasley	Ozment	Sviggum
Burger	Haukoos	Marsh	Peterson	Thiede
Carlson D.	Heap	McDonald	Poppenhagen	Valento
Carlson, L.	Hugoson	McPherson	Quist	Voss
Cooper	Jennings	Miller	Redalen	Waltman
Dauner	Jensen	O'Connor	Richter	Welle
				Winter

Those who voted in the negative were:

Battaglia	Bennett	Carruthers	DeBlieck	Forsythe
Bauerly	Bishop	Clausnitzer	DeRaad	Greenfield
Beard	Boo	Dawkins	Dorn	Gutknecht

Hartle	Knuth	Nelson, C.	Quinn	Stanius
Himle	Krueger	Nelson, D.	Reding	Steensma
Jacobs	Larsen	Nelson, K.	Rest	Swenson
Jaros	Lieder	Neuenschwander	Rice	Tjornhom
Jefferson	Long	Olsen, S.	Riveness	Tompkins
Johnson, A.	McEachern	Orenstein	Rodosovich	Trimble
Kahn	McKasy	Osthoff	Scheid	Vellenga
Kalis	McLaughlin	Otis	Seaberg	Wagenius
Kelly	Milbert	Pappas	Segal	Wynia
Kelso	Morrison	Pauly	Shaver	Spk. Vanasek
Kludt	Munger	Pelowski	Simoneau	
Knickerbocker	Murphy	Price	Skoglund	

The motion did not prevail.

CALL OF THE HOUSE

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

Anderson, G.	Gruenes	Larsen	Osthoff	Shaver
Anderson, R.	Gutknecht	Lieder	Otis	Simoneau
Battaglia	Hartle	Long	Ozment	Skoglund
Bauerly	Haukoos	Marsh	Pappas	Solberg
Beard	Heap	McDonald	Pauly	Sparby
Begich	Himle	McEachern	Pelowski	Stanius
Bertram	Hugoson	McLaughlin	Peterson	Steensma
Boo	Jacobs	McPherson	Poppenhagen	Sviggum
Brown	Jaros	Milbert	Price	Swenson
Burger	Jefferson	Miller	Quinn	Thiede
Carlson, D.	Jennings	Morrison	Quist	Tjornhom
Carlson, L.	Jensen	Munger	Redalen	Tompkins
Carruthers	Johnson, A.	Murphy	Reding	Trimble
Clausnitzer	Johnson, R.	Nelson, C.	Rest	Tunheim
Cooper	Johnson, V.	Nelson, D.	Rice	Valento
Dauner	Kahn	Nelson, K.	Richter	Vellenga
Dawkins	Kalis	Neuenschwander	Riveness	Voss
DeBlick	Kelly	O'Connor	Rodosovich	Wagenius
Dempsey	Kelso	Ogren	Rose	Waltman
DeRaad	Kinkel	Olsen, S.	Rukavina	Welle
Dorn	Kludt	Olsen, E.	Sarna	Wenzel
Forsythe	Knickerbocker	Olsen, K.	Schafer	Winter
Frederick	Knuth	Omann	Scheid	Wynia
Frerichs	Kostohryz	Onnen	Seaberg	Spk. Vanasek
Greenfield	Krueger	Orenstein	Segal	

Wynia 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.

MOTION FOR RECONSIDERATION

Vellenga moved that the action whereby S. F. No. 121 was given its third reading be now reconsidered. The motion prevailed.

Vellenga offered an amendment to S. F. No. 121, the unofficial engrossment.

Thiede requested a division of the Vellenga amendment.

The first portion of the Vellenga amendment reads as follows:

Page 1, line 27, delete "\$25" and insert "\$10"

Page 2, line 27, delete everything before "1989"

The motion prevailed and the first portion of the Vellenga amendment was adopted.

The second portion of the Vellenga amendment reads as follows:

Page 2, after line 30, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective May 1, 1988."

Thiede moved to amend the second portion of the Vellenga amendment to S. F. No. 121, the unofficial engrossment, as amended, as follows:

Page 1, line 7, delete "1988" and insert "1990"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 32 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DeRaad	Marsh	Quist	Valento
Begich	Frerichs	McDonald	Redalen	Voss
Burger	Haukoos	McPherson	Richter	Waltman
Carlson, D.	Hugoson	Miller	Schafer	Wenzel
Carruthers	Jennings	Olson, E.	Sparby	
Clausnitzer	Jensen	Omamm	Thiede	
Dempsey	Johnson, V.	Poppenhagen	Tjornhom	

Those who voted in the negative were:

Battaglia	Cooper	Hartle	Kalis	Larsen
Bauerly	Dauner	Heap	Kelly	Lasley
Beard	Dawkins	Himle	Kelso	Lieder
Bennett	Dille	Jacobs	Kinkel	Long
Bertram	Dorn	Jaros	Kludt	McEachern
Boo	Forsythe	Jefferson	Knickerbocker	McLaughlin
Brown	Greenfield	Johnson, A.	Knuth	Milbert
Carlson, L.	Gruenes	Johnson, R.	Kostohryz	Morrison
Clark	Gutknecht	Kahn	Krueger	Munger

Murphy	Onnen	Price	Seaberg	Swenson
Nelson, C.	Orenstein	Quinn	Segal	Trimble
Nelson, D.	Osthoff	Reding	Shaver	Tunheim
Nelson, K.	Otis	Rest	Simoneau	Vellenga
Neuenschwander	Ozment	Rice	Skoglund	Wagenius
O'Connor	Pappas	Rodosovich	Solberg	Welle
Ogren	Pauly	Rukavina	Stanisus	Winter
Olsen, S.	Pelowski	Sarna	Steensma	Wynia
Olson, K.	Peterson	Scheid	Sviggum	Spk. Vanasek

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the adoption of the second portion of the Vellenga amendment. The motion prevailed and the amendment was adopted.

Solberg moved to amend S. F. No. 121, the unofficial engrossment, as amended, as follows:

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1986, section 169.686, subdivision 2, is amended to read:

Subd. 2. [SEAT BELT EXEMPTIONS.] This section shall not apply to:

- (1) a person driving a passenger vehicle in reverse;
- (2) a person riding in a seat in which all the seating positions equipped with safety belts are occupied by other persons;
- (3) a person who is in possession of a written certificate from a licensed physician verifying that because of medical unfitness or physical disability the person is unable to wear a seat belt;
- (4) a person who is actually engaged in work that requires the person to alight from and reenter a passenger vehicle at frequent intervals and who, while engaged in that work, does not drive or travel in that vehicle at a speed exceeding 25 miles per hour;
- (5) a rural mail carrier of the United States Postal Service while in the performance of duties;
- (6) a person driving or riding in a passenger vehicle manufactured before January 1, 1965; and
- (7) a person driving or riding in a pickup truck, as defined in section 168.011, subdivision 29, while engaged in normal farming work or activity; and

(8) a person who is able to show by physical or documentary evidence that the applicable car seat is equipped with a complete passive restraint system, commonly known as an air bag, meeting the requirements of Code of Federal Regulations, title 49, section 571.208."

Renumber the remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Solberg amendment and the roll was called.

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

There were 63 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DeRaad	Kalis	Onnen	Steensma
Bauerly	Dille	Kinkel	Ozment	Sviggum
Beard	Dorn	Kostohryz	Poppenhagen	Swenson
Begich	Frederick	Marsh	Quinn	Thiede
Bertram	Frerichs	McDonald	Quist	Tjornhom
Bishop	Gutknecht	McEachern	Richter	Tompkins
Brown	Haukoos	McPherson	Rose	Valento
Burger	Hugoson	Miller	Rukavina	Voss
Carlson, D.	Jacobs	Nelson, C.	Schafer	Waltman
Carruthers	Jennings	Ogren	Seaberg	Wenzel
Clausnitzer	Jensen	Olson, E.	Simoneau	Winter
Dauner	Johnson, R.	Olson, K.	Solberg	
Dempsey	Johnson, V.	Omamm	Sparby	

Those who voted in the negative were:

Battaglia	Jaros	McLaughlin	Pappas	Segal
Bennett	Jefferson	Milbert	Pauly	Shaver
Boo	Johnson, A.	Morrison	Pelowski	Skoglund
Carlson, L.	Kahn	Munger	Peterson	Stanius
Clark	Kelly	Murphy	Price	Trimble
Cooper	Kelso	Nelson, D.	Redalen	Tunheim
Dawkins	Knickerbocker	Nelson, K.	Reding	Vellenga
Forsythe	Knuth	Neuenschwander	Rest	Wagenius
Greenfield	Krueger	O'Connor	Rice	Welle
Gruenes	Larsen	Olsen, S.	Riveness	Wynia
Hartle	Lasley	Orenstein	Rodosovich	Spk. Vanasek
Heap	Lieder	Osthoff	Sarna	
Himle	Long	Otis	Scheid	

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

Frerichs moved to amend S. F. No. 121, the unofficial engrossment,

as amended, as follows:

Add a section to read:

"Sec. 3. [REPEALER.]

Minnesota Statutes 1986, section 169.685, subdivision 4, is repealed."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 2, after the semicolon insert "repealing prohibition against introduction of evidence of use or non-use of seat belts or child restraint devices;"

Page 1, line 8, after "subdivision" insert "; repealing Minnesota Statutes 1986, section 169.685, subdivision 4"

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called.

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

There were 21 yeas and 103 nays as follows:

Those who voted in the affirmative were:

Carlson, D.	McDonald	Quist	Seaberg	Waltman
Frerichs	McPherson	Redalen	Sparby	
Hugoson	Miller	Richter	Sviggum	
Jennings	Morrison	Rose	Thiede	
Johnson, V.	Poppenhagen	Schafer	Voss	

Those who voted in the negative were:

Anderson, G.	Clark	Hartle	Kelso	Munger
Battaglia	Clausnitzer	Haukoos	Kinkel	Murphy
Bauerly	Cooper	Heap	Knickerbocker	Nelson, C.
Beard	Dauner	Himle	Knuth	Nelson, D.
Begich	Dawkins	Jacobs	Krueger	Nelson, K.
Bennett	Dempsey	Jaros	Larsen	Neuenschwander
Bertram	DeRaad	Jefferson	Lasley	O'Connor
Bishop	Dille	Jensen	Lieder	Ogren
Boo	Dorn	Johnson, A.	Long	Olsen, S.
Brown	Forsythe	Johnson, R.	Marsh	Olson, E.
Burger	Frederick	Kahn	McEachern	Olson, K.
Carlson, L.	Greenfield	Kalis	McLaughlin	Omann
Carruthers	Gruenes	Kelly	Milbert	Onnen

Orenstein	Price	Sarna	Steensma	Wagenius
Osthoff	Quinn	Scheid	Swenson	Welle
Otis	Reding	Segal	Tjornhom	Wenzel
Ozment	Rest	Shaver	Tompkins	Winter
Pappas	Rice	Simoneau	Trimble	Wynia
Pauly	Riveness	Skoglund	Tunheim	Spk. Vanasek
Pelowski	Rodosovich	Solberg	Valento	
Peterson	Rukavina	Stanius	Vellenga	

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

Marsh offered an amendment to S. F. No. 121, the unofficial engrossment, as amended.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.9 that the amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Lasley moved to amend S. F. No. 121, the unofficial engrossment, as amended, as follows:

Page 1, line 15, after the semicolon insert "and"

Page 1, line 17, strike "; and" and insert a period

Page 1, lines 18 to 20, strike the old language and delete the new language

A roll call was requested and properly seconded.

The question was taken on the Lasley amendment and the roll was called.

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

There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Johnson, R.	Miller	Poppenhagen
Anderson, R.	DeRaad	Johnson, V.	Nelson, C.	Quinn
Beard	Frerichs	Kinkel	O'Connor	Quist
Begich	Gruenes	Kostohryz	Ogren	Redalen
Bishop	Haukoos	Lasley	Olson, E.	Richter
Burger	Hugoson	Marsh	Olson, K.	Rukavina
Carlson, D.	Jacobs	McDonald	Omamm	Schafer
Carruthers	Jennings	McEachern	Onnen	Seaberg
Cooper	Jensen	McPherson	Ozment	Sparby

Sviggum	Tjornhom	Voss	Welle
Thuede	Tompkins	Waltman	Wenzel

Those who voted in the negative were:

Battaglia	Greenfield	Larsen	Pappas	Simoneau
Bauerly	Gutknecht	Lieder	Pauly	Skoglund
Bennett	Hartle	Long	Pelowski	Solberg
Bertram	Heap	McLaughlin	Peterson	Stanius
Boo	Himle	Milbert	Price	Steensma
Brown	Jaros	Morrison	Reding	Swenson
Carlson, L.	Jefferson	Munger	Rest	Trimble
Clark	Johnson, A.	Murphy	Rice	Tunheim
Clausnitzer	Kahn	Nelson, D.	Riveness	Valento
Dauner	Kalis	Nelson, K.	Rodosovich	Vellenga
Dawkins	Kelly	Neuenschwander	Rose	Wagenius
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Knickerbocker	Orenstein	Scheid	Wynia
Forsythe	Knuth	Osthoff	Segal	Spk. Vanasek
Frederick	Krueger	Otis	Shaver	

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

Kludt and McKasy were excused for the remainder of today's session.

S. F. No. 121, A bill for an act relating to traffic regulations; clarifying that a child under four is not required to use a seat belt; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, 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.

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

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

There were 62 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Battaglia	Boo	DeRaad	Frederick	Jaros
Bauerly	Clark	Dille	Greenfield	Jefferson
Bennett	Cooper	Dorn	Hartle	Johnson, A.
Bishop	Dawkins	Forsythe	Himle	Kahn

Kalis	Murphy	Pappas	Schafer	Trimble
Kelly	Nelson, D.	Pauly	Scheid	Vellenga
Knickerbocker	Nelson, K.	Peterson	Seaberg	Wagenius
Knuth	Neuenschwander	Price	Segal	Welle
Larsen	Olsen, S.	Quinn	Shaver	Wynia
Long	Orenstein	Rest	Skoglund	Spk. Vanasek
McLaughlin	Osthoff	Rodosovich	Solberg	
Morrison	Otis	Rose	Stanius	
Munger	Ozment	Sarna	Swenson	

Those who voted in the negative were:

Anderson, G.	Dempsey	Kinkel	Ogren	Simoneau
Anderson, R.	Frerichs	Kostohryz	Olson, E.	Sparby
Beard	Gruenes	Krueger	Olson, K.	Steensma
Begich	Gutknecht	Lasley	Omann	Svigum
Bertram	Haukoos	Lieder	Onnen	Thiede
Brown	Heap	Marsh	Pelowski	Tjornhom
Burger	Hugoson	McDonald	Poppenhagen	Tompkins
Carlson, D.	Jacobs	McEachern	Quist	Tunheim
Carlson, L.	Jennings	McPherson	Redalen	Valento
Carruthers	Jensen	Milbert	Reding	Voss
Clausnitzer	Johnson, R.	Miller	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Riveness	Wenzel
DeBlieck	Kelso	O'Connor	Rukavina	Winter

The bill was not passed, as amended.

Pappas moved that H. F. No. 1922 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary. The motion prevailed.

Pappas moved that H. F. No. 2042 be recalled from the Committee on Commerce and be re-referred to the Committee on Judiciary. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following change in committee assignments:

Governmental Operations: Remove the name of Clark.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 22, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 22, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTIETH DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 22, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Associate Pastor Joseph A. Sirba, Cathedral of Our Lady of the Rosary, Duluth, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frerichs	Larsen	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruencs	Lieder	Otis	Shaver
Beard	Gutknecht	Long	Ozment	Skoglund
Begich	Hartle	Marsh	Pappas	Solberg
Bennett	Haukoos	McDonald	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Bishop	Hugoson	McKasy	Peterson	Steensma
Blatz	Jacobs	McPherson	Poppenhagen	Sviggum
Brown	Jaros	Milbert	Price	Swenson
Burger	Jefferson	Miller	Quinn	Thiede
Carlson, D.	Jennings	Minne	Quist	Tjornhom
Carlson, L.	Johnson, A.	Morrison	Redalen	Tompkins
Carruthers	Johnson, R.	Munger	Reding	Trimble
Clark	Johnson, V.	Murphy	Rest	Tunheim
Clausnitzer	Kahn	Nelson, C.	Rice	Uphus
Cooper	Kalis	Nelson, D.	Richter	Valento
Dauner	Kelly	Nelson, K.	Riveness	Vellenga
Dawkins	Kelso	Neuenschwander	Rodosovich	Voss
DeBlicke	Kinkel	O'Connór	Rose	Wagenius
DeRaad	Kludd	Ogren	Rukavina	Waltman
Dille	Knickerbocker	Olsen, S.	Sarna	Welle
Dorn	Knuth	Olson, K.	Schafer	Wenzel
Forsythe	Kostohryz	Omann	Scheid	Winter
Frederick	Krueger	Onnen	Schreiber	Wynia
				Spk. Vanasek

A quorum was present.

Bauerly; Boo; Dempsey; Jensen; Olson, E., and Simoneau were excused.

Himle and McLaughlin were excused until 2:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Haukoos 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. 1740, 1806, 1841, 1853, 453, 1790, 1836, 1846, 1705, 1766 and 1886 and S. F. Nos. 537 and 121 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1709, A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1741, A bill for an act relating to consumer protection; prohibiting the resale of liners used in flotation bedding; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1816, A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints

on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1850, A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1851, A bill for an act relating to local government; regulating duties of town officers; setting town powers; regulating town revenue and property valuation matters; amending Minnesota Statutes 1986, sections 18.272; 429.031, by adding a subdivision; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, sections 115A.921; and 273.061, subdivision 8; and repealing Minnesota Statutes 1986, section 365.03.

Reported the same back with the following amendments:

Page 2, line 5, after "town" insert "or city"

Page 2, line 8, after "town" insert "or city"

Page 5, delete lines 13 to 24

Re-number remaining sections in sequence

Amend the title as follows:

Page 1, line 3, after the third "town" insert "and city"

Page 1, line 5, delete "429.031, by"

Page 1, line 6, delete "adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1867, A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1931, A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89.

Reported the same back with the following amendments:

Page 4, after line 8, insert:

"Sec. 5. [89.305] [COUNTY MANAGEMENT ACCESS ROAD ACCOUNT.]

Counties may receive payments for constructing, reconstructing, and maintaining county forest access roads from funds made available through unrefunded tax paid on gasoline and special fuels used to operate vehicles on county forest roads. This amount is equal to the sum of one-tenth of one percent of all revenues derived from the excise tax on gasoline, except gasoline used for aviation purposes and one-half of one percent of all revenues derived from the excise tax on special fuel, except special fuel used for aviation purposes, plus interest and penalties for delinquent payment. The amount of tax to be computed under this subdivision must be computed for

each six-month period beginning January 1, 1988, and must be paid into the state treasury on September 30 and March 31, following each six-month period from the account established pursuant to section 296.421, subdivision 8, to be credited to a special county account administered by the commissioner, to be known as the county management access road account, and made available in the form of annual payments to counties managing forest lands administered through a county land department under the jurisdiction of a land commissioner appointed under section 282.13. These payments must be made available in the form of annual payments by January 1 of each year through the commissioner and in proportion to each county's ownership of commercial forest lands, for purposes of constructing, reconstructing, acquiring, and maintaining county management access roads, including the acquisition of rights-of-way or easements as may be needed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "providing for county management access road account;"

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1942, A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1709, 1741, 1816, 1850, 1851, 1867 and 1942 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Krueger; Gruenes; Carlson, D., and Welle introduced:

H. F. No. 2064, A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

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

Dempsey, McDonald, Schreiber and Haukoos introduced:

H. F. No. 2065, A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

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

Dempsey and Haukoos introduced:

H. F. No. 2066, A bill for an act relating to education; providing for reporting of consumption of alcohol by minors; amending Minnesota Statutes 1987 Supplement, section 126.035.

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

Rest and Voss introduced:

H. F. No. 2067, A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.36, by adding a subdivision; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.035; 469.155, subdivision 12; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Orenstein introduced:

H. F. No. 2068, A bill for an act relating to health; prohibiting advertising of tobacco products on public property; 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.

Kahn, Munger, Pauly, Welle and Nelson, D., introduced:

H. F. No. 2069, A bill for an act relating to environment; establishing a comprehensive solid waste reduction and recycling program through county programs, a waste reduction initiative fee on containers, a recycling deposit on beverage packages, and public education; appropriating money; proposing coding for new law in chapter 115A.

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

Dempsey introduced:

H. F. No. 2070, A bill for an act relating to nursing homes; creating an exception to the moratorium on certification of nursing home beds; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

Greenfield, Ogren, Dorn, Stanius and Welle introduced:

H. F. No. 2071, A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

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

Nelson, K.; Tunheim; Bauerly; Ozment and Kelso introduced:

H. F. No. 2072, A bill for an act relating to education; providing for early childhood innovation programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

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

Olson, K; Olson, E.; Brown; Ozment and Anderson, G., introduced:

H. F. No. 2073, A bill for an act relating to education; creating disparity reduction revenue; authorizing a levy; 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.

Trimble; McEachern; Olson, K.; Larsen and Ozment introduced:

H. F. No. 2074, A bill for an act relating to education; providing for extended day programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 121 and 124.

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

Neuenschwander; Carlson, D.; Battaglia; Sparby and Rukavina introduced:

H. F. No. 2075, A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; 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.

Orenstein introduced:

H. F. No. 2076, A bill for an act relating to insurance; requiring insurance coverage for services provided by a private duty nurse or personal care assistant to a ventilator-dependent person; 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.

Voss introduced:

H. F. No. 2077, A bill for an act relating to taxation; making technical corrections and administrative changes to gross premiums, corporate franchise, royalty, and mineral taxes; appropriating money; amending Minnesota Statutes 1986, sections 62C.01, by adding a subdivision; and 64B.24; Minnesota Statutes 1987 Supplement, sections 60E.04, subdivision 4; 290.01, subdivisions 19, 19a, 19c, 19d, and 19e; 290.06, subdivisions 1 and 21; 290.092, subdivisions 3, 4, and by adding a subdivision; 290.095, subdivision 3, and by adding a subdivision; 290.191, subdivisions 6 and 11; 290.371, subdivision 5; 290.9725; and 299.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 290 and 298; repealing Minnesota Statutes 1986, sections 298.013 and 298.401; and Minnesota Statutes 1987 Supplement, section 290.10.

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

Otis introduced:

H. F. No. 2078, A bill for an act relating to education; providing for aversive and deprivation procedures; requiring rules; amending Minnesota Statutes 1987 Supplement, section 626.556, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 127.

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

Carruthers, Clausnitzer and Scheid introduced:

H. F. No. 2079, A bill for an act relating to education; reenacting the capital expenditure levy for leased buildings with certain additional restrictions; authorizing a levy to make up for the levy not made in 1987; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

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

Dorn introduced:

H. F. No. 2080, A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56;

Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

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

Nelson, K.; Schreiber and Segal introduced:

H. F. No. 2081, A bill for an act relating to education; proposing initiatives in testing, teaching, student and teacher choice, and school based management; appropriating money; amending Minnesota Statutes 1986, sections 121.11, subdivision 8; 121.165; 123.3514, subdivisions 2, 3, and 4; 123.39, by adding a subdivision; 123.58, subdivision 8; 124A.036, by adding a subdivision; 125.185, by adding subdivisions; and 126.70, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 125; and 126.

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

Ogren, Clark and Greenfield introduced:

H. F. No. 2082, A bill for an act relating to health; requiring licensed physicians to accept the Medicare payment as payment in full for services provided to Medicare patients; amending Minnesota Statutes 1986, section 147.091, by adding a subdivision.

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

Orenstein introduced:

H. F. No. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

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

Ogren and Murphy introduced:

H. F. No. 2084, A bill for an act relating to health; requiring medical screening of former Conwed Corporation employees; autho-

ricing the commissioner of health to contract with experts; requiring a report; appropriating money.

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

Bauerly introduced:

H. F. No. 2085, A bill for an act relating to workers' compensation; patterning the law after the law of Wisconsin; generally changing all facets of the workers' compensation law; proposing coding for new law in Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986, chapter 176; and Minnesota Statutes 1987 Supplement, chapter 176.

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

Simoneau introduced:

H. F. No. 2086, A bill for an act relating to motor vehicles; removing restrictions regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

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

Knuth; Nelson, D.; Rukavina; Rose and Simoneau introduced:

H. F. No. 2087, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

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

DeBlicck, Winter, Steensma, Kalis and Redalen introduced:

H. F. No. 2088, A bill for an act relating to agriculture; protecting certain persons from eviction from agricultural land for a limited

time; amending Minnesota Statutes 1986, section 500.24, by adding a subdivision.

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

Wenzel, Krueger, Winter, Kinkel and DeBlieck introduced:

H. F. No. 2089, A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; allowing a subtraction from taxable income for certain pension income, unemployment compensation, military pay, charitable contributions, and tuition payments; restoring the reduction in 1986 property tax refunds; exempting sales of nonprescription drugs, interstate phone calls, and laundering and dry cleaning services from the sales tax; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 60A.15, subdivision 1; 290.01, subdivision 19b; 297A.01, subdivision 3; 297A.25, subdivision 3; and Laws 1987, chapter 268, article 3, section 12; 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.

Wenzel introduced:

H. F. No. 2090, A bill for an act relating to public administration; reducing appropriations of state money for public purposes during fiscal year 1989; eliminating and consolidating certain state agencies and departments.

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

Jacobs, Quinn and Bennett introduced:

H. F. No. 2091, A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

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

Ogren, Munger, Murphy, Boo and Jaros introduced:

H. F. No. 2092, A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the

waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

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

Ogren, Jacobs, Neuenschwander, Redalen and Begich introduced:

H. F. No. 2093, A bill for an act relating to utilities; enabling recovery from rate payers of utility operating expenses associated with economic development activities; requiring report to the legislature; amending Minnesota Statutes 1986, sections 216B.02, by adding subdivisions; 216B.16, subdivision 8, and by adding a subdivision.

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

Clark introduced:

H. F. No. 2094, A bill for an act relating to transportation; specifying fee for identification cards issued to physically handicapped persons; amending Minnesota Statutes 1986, section 171.07, subdivision 3.

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

Carruthers introduced:

H. F. No. 2095, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1

and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivision 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

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

Voss introduced:

H. F. No. 2096, A bill for an act relating to taxation; making technical corrections and administrative changes to cigarette taxes and sales; liquor taxes; pull-tab taxes; sales and use taxes; insurance premiums tax; deed tax; telegraph gross earnings tax; and controlled substances tax; appropriating money; amending Minnesota Statutes 1986, sections 271.01, subdivision 5; 287.21, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.15, subdivision 5; 297A.25, subdivision 5, and by adding a subdivision; 297A.35, subdivision 1; 297C.02, subdivision 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 325D.33, by adding a subdivision; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; and 473.843, subdivision 2; Minnesota Statutes 1987 Supplement, sections 69.54; 295.32; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivision 11; 297C.04; 325D.32, subdivision 10; 325D.33, subdivision 4; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; and 349.2123; proposing coding for new law in Minnesota Statutes 1986, chapters 297; 297C; and 349; repealing Minnesota Statutes 1986, section 297C.03, subdivision 5.

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

Tunheim; Kinkel; Vellenga; Johnson, R., and Clark introduced:

H. F. No. 2097, A bill for an act relating to education; expanding the American Indian language and culture program; requiring certain practices relating to American Indian teachers; providing grants for operation of American Indian schools; requiring certain programs to enable American Indians to become teachers; appropri-

ating money; amending Minnesota Statutes 1986, sections 124.48, subdivision 2; 126.45; 126.46; 126.47; 126.49, subdivision 1; 126.51, subdivisions 1, 2, 4, and by adding a subdivision; 126.52; and 126.531; proposing coding for new law in Minnesota Statutes, chapters 126 and 135A; repealing Minnesota Statutes 1986, section 126.51, subdivision 3.

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

Knuth, Rice, Jacobs, Simoneau and Bishop introduced:

H. F. No. 2098, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116I.015, subdivision 3; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

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

Vellenga; Simoneau; Johnson, A.; Nelson, K., and Ozment introduced:

H. F. No. 2099, A bill for an act relating to education; appropriating money for project head start programs to expand services to children from low income families.

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

Osthoff introduced:

H. F. No. 2100, A bill for an act relating to motor vehicles; extending time for dealers to transfer motor vehicle title certificate; amending Minnesota Statutes 1986, section 168A.04, subdivision 2.

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

Nelson, D.; Kelly and Bishop introduced:

H. F. No. 2101, A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

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

McLaughlin, Long, Skoglund and Jefferson introduced:

H. F. No. 2102, A bill for an act relating to the city of Minneapolis; permitting the establishment of downtown special service districts; providing taxing and other authority.

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

Segal; Nelson, K., and Olsen, S., introduced:

H. F. No. 2103, A bill for an act relating to education; making changes in the training and experience revenue and the minimum allowance aid formulas; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 4; and 124A.25, subdivision 2.

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

Wagenius, Orenstein, Vellenga and Swenson introduced:

H. F. No. 2104, A bill for an act relating to crimes; prescribing the penalty of murder in the first degree for the new crime of causing the death of a child while committing child abuse; amending Minnesota Statutes 1986, section 609.185.

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

Wagenius, Riveness, Orenstein, Vanasek and Tjornhom introduced:

H. F. No. 2105, A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

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

Milbert, Ozment, Jensen, Morrison and Seaberg introduced:

H. F. No. 2106, A bill for an act relating to public employees; providing that certain historical society employees be eligible for public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

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

Neuenschwander; Rose; Carlson, D.; Sparby and Jennings introduced:

H. F. No. 2107, A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Simoneau and Knickerbocker introduced:

H. F. No. 2108, A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies.

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

Begich introduced:

H. F. No. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

Simoneau; Knickerbocker; Johnson, R.; Sarna and Clark introduced:

H. F. No. 2110, A bill for an act relating to retirement; local police

and firefighter relief associations; providing for postretirement payments for retirees, surviving spouses and dependents; proposing coding for new law in Minnesota Statutes, chapter 423A.

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

Simoneau; Carlson, D., and Jennings introduced:

H. F. No. 2111, A bill for an act relating to solid waste; imposing a fee to be collected by counties for the disposal of mixed municipal solid waste; providing for collection and distribution of the fee to counties generating solid waste; authorizing county agreements for recycling and to include recycling as part of solid waste management; amending Minnesota Statutes 1986, sections 115A.919; and 400.08, subdivision 1; proposing coding for new law in chapter 115A.

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

Forsythe, Skoglund, Boo, Jacobs and Knickerbocker introduced:

H. F. No. 2112, A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409, subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

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

Bertram; Bauerly; DeBlieck; Nelson, C., and Cooper introduced:

H. F. No. 2113, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Laws 1987, chapter 268, article 1, section 13.

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

Segal, Greenfield, Dauner, Swenson and Gruenes introduced:

H. F. No. 2114, A bill for an act relating to human services; refining the comprehensive mental health act; transferring an appropriation; amending Minnesota Statutes 1986, section 256E.12,

subdivisions 1 and 2; Minnesota Statutes 1987 Supplement, sections 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 256B.02, subdivision 8; 256E.12, subdivision 3; and Laws 1987, chapter 403, article 2, section 34.

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

McLaughlin; Nelson, K., and Rice introduced:

H. F. No. 2115, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

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

Ogren, Vanasek and Wynia introduced:

H. F. No. 2116, A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; and 10A.25, subdivision 10.

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

Rest and Voss introduced:

H. F. No. 2117, A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

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

Vellenga, Rest and Kelly introduced:

H. F. No. 2118, A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, subdivision 10; 518.175, subdivision 7; 518.551, subdivision 11; 518.552, subdivision 4; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

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

Trimble, Quinn, Orenstein, Jaros and Rose introduced:

H. F. No. 2119, A bill for an act relating to education; requiring child care facilities and services in some state funded buildings at the University of Minnesota, Twin Cities campus; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Anderson, G.; Steensma; Winter and Miller introduced:

H. F. No. 2120, A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

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

Sparby introduced:

H. F. No. 2121, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

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

Clausnitzer, introduced:

H. F. No. 2122, A bill for an act relating to the financing of state government; modifying the priority for allocating surplus revenues; amending Minnesota Statutes 1987 Supplement, section 16A.1541.

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

Greenfield and Clark introduced:

H. F. No. 2123, A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; and 245A.13, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5.

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

Nelson, K.; McEachern; Tunheim; Dawkins and Vellenga introduced:

H. F. No. 2124, A bill for an act relating to education; providing for initiatives or changes in general education revenue; school transportation; vocational education; community service education; AIDS prevention education; desegregation; expanded student opportunities; teacher licensing; interdistrict cooperation; technology education; educational effectiveness; education advisory councils; open enrollment; Indian education; arts education planning; mentorship program; board of teaching; governor's scholarship and academic excellence program; nonpublic aid; appropriating money; amending Minnesota Statutes 1986, sections 120.06, by adding a subdivision; 121.901, subdivision 2; 123.3514, by adding a subdivision; 123.937; 124.17, by adding a subdivision; 125.183, subdivision 3; 129B.20, subdivision 1; 275.125, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 121.87, subdivision 1a; 121.934, subdivision 1; 123.3515, subdivisions 1 and 4, and by adding a subdivision; 124A.25, subdivision 2; 126.22, subdivisions 2 and 3; 126.23; 126.666, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; and 124A; repealing Minnesota Statutes 1987 Supplement, section 275.125, subdivision 6e.

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

Otis; Rice; Long; Nelson, K., and Greenfield introduced:

H. F. No. 2125, A bill for an act relating to retirement; providing for the funding of certain retirement fund deficiencies; amending Minnesota Statutes 1986, sections 275.125, by adding a subdivision; and 354A.12, subdivision 2, and by adding a subdivision.

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

Greenfield, Wynia and Stanius introduced:

H. F. No. 2126, A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.14, subdivision 2; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision 2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Greenfield; Wynia; Anderson, R., and Ogren introduced:

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement,

section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

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

Vellenga and Orenstein introduced:

H. F. No. 2128, A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; providing a defense for museum operators to a charge of possessing certain dangerous weapons; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, sections 471.634; 609.66, subdivision 2; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4.

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

Nelson, K., introduced:

H. F. No. 2129, A bill for an act relating to education; creating a productivity improvement project; appropriating money.

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

Vellenga and Segal introduced:

H. F. No. 2130, A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based nonresidential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; ensuring insurance coverage for court-ordered treatment; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62A.152, subdivision 2; and 62D.102; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

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

Simoneau introduced:

H. F. No. 2131, A bill for an act relating to state and local government; establishing the Minnesota advisory commission on intergovernmental relations; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 15B.

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

Clark, Ogren, Jefferson and Ozment introduced:

H. F. No. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

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

Cooper, Welle and Gruenes introduced:

H. F. No. 2133, A bill for an act relating to human services; requiring the commissioner of health and human services to study and recommend changes in law; requiring coordinated laws affecting services for persons with mental retardation and other related conditions; appropriating money.

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

Wagenius, Long and Dempsey introduced:

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

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

Bertram; Rukavina; Battaglia; Anderson, R., and Ogren introduced:

H. F. No. 2135, A bill for an act relating to health maintenance organizations; requiring health maintenance organizations to demonstrate the ability to guarantee payments to providers in the event of discontinuation of the organization; requiring an escrow account to ensure payments to participating entities; requiring an annual public report on the financial health of each health maintenance organization and nonprofit health service plan; creating an interagency panel to hear appeals concerning disputes between health maintenance organizations and their participating entities; requiring prompt payments to participating entities; amending Minnesota Statutes 1986, sections 62D.041, subdivisions 3, 4, 5, 6, 7, and by adding a subdivision; 62D.12, by adding a subdivision; and 62D.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Thiede introduced:

H. F. No. 2136, A bill for an act relating to laws; providing that laws are not effective until supreme court reviews constitutionality; amending Minnesota Statutes 1987 Supplement, section 645.02.

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

Otis introduced:

H. F. No. 2137, A bill for an act relating to education; changing the membership of the board of teaching; amending Minnesota Statutes 1986, section 125.183, subdivision 3.

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

Greenfield, Segal, Wynia, Forsythe and Kelso introduced:

H. F. No. 2138, A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95,

subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

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

Johnson, R.; Marsh; Pelowski; Dorn and Gruenes introduced:

H. F. No. 2139, A bill for an act relating to retirement; increasing the formula percentage for the first ten years of service in major public retirement plans; amending Minnesota Statutes 1986, sections 353.29, subdivision 3; 354.44, subdivisions 6 and 7; and 354A.31, subdivision 4; and Minnesota Statutes 1987 Supplement, section 352.115, subdivision 3.

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

Pelowski; Marsh; Trimble; Johnson, R., and DeBlieck introduced:

H. F. No. 2140, A bill for an act relating to education; clarifying one membership requirement for the board of teaching; amending Minnesota Statutes 1986, section 125.183, subdivision 3.

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

Carruthers, Skoglund, Osthoff, Seaberg and Knickerbocker introduced:

H. F. No. 2141, A bill for an act relating to insurance; regulating unfair settlement practices; requiring disclosure of coverage; amending Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 4.

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

Johnson, R.; Pelowski; Dorn; Gruenes and Marsh introduced:

H. F. No. 2142, A bill for an act relating to retirement; increasing the rate of deferred annuity augmentation for major public retirement funds; amending Minnesota Statutes 1986, section 353.71, subdivision 2; Minnesota Statutes 1987 Supplement, sections 352.72, subdivision 2; 352B.30, subdivision 2; and 354.55, subdivision 11.

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

Greenfield, Jefferson, Rodosovich, Clausnitzer and McLaughlin introduced:

H. F. No. 2143, A bill for an act relating to the apportionment of public assistance collection proceeds; amending Minnesota Statutes 1986, section 256.863.

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

Poppenhagen, Hartle, Skoglund and Bertram introduced:

H. F. No. 2144, A bill for an act relating to insurance; requiring agents to obtain errors and omissions insurance coverage; amending Minnesota Statutes 1986, section 60A.17, by adding a subdivision.

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

Dille, Wenzel and Krueger introduced:

H. F. No. 2145, A bill for an act relating to grain marketing; establishing standards for certain premiums and discounts; authorizing the commissioner of agriculture to review the accuracy of certain test equipment operators; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 17C.

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

Kinkel; Jaros; Nelson, K.; Gruenes and Otis introduced:

H. F. No. 2146, A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivision 1.

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

Ogren and Munger introduced:

H. F. No. 2147, A bill for an act relating to environment; requiring

the pollution control agency to reimburse small business operators who render waste nonhazardous; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Carruthers; Nelson, D.; Jefferson; Pappas and Seaberg introduced:

H. F. No. 2148, A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a children's intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary; proposing coding for new law in Minnesota Statutes, chapter 631.

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

Kelly, Trimble and Knuth introduced:

H. F. No. 2149, A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

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

Carlson, L.; Johnson, R.; Orenstein; Price and Beard introduced:

H. F. No. 2150, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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

Reding; Johnson, R.; Pelowski; Dorn and Gruenes introduced:

H. F. No. 2151, A bill for an act relating to retirement; state university and community college faculty; establishing a Minnesota individual retirement plan; proposing coding for new law as Minnesota Statutes, chapters 354B, and 356A.

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

Omann, Bertram, Tunheim and Bauerly introduced:

H. F. No. 2152, A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 738, Holdingford.

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

Greenfield, Ogren, Rodosovich, Kahn and Forsythe introduced:

H. F. No. 2153, A bill for an act relating to anatomical gifts; adopting the 1987 uniform anatomical gift act; making conforming amendments; providing penalties; amending Minnesota Statutes 1986, sections 65B.44, subdivision 4; 171.07, subdivision 5; and 390.36; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1986, sections 525.921 to 525.93.

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

Greenfield, Clark, McLaughlin and Jefferson introduced:

H. F. No. 2154, A bill for an act relating to human services; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 3, and by adding a subdivision.

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

Kinkel and Johnson, R., introduced:

H. F. No. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12.

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

Nelson, K., and Rodosovich introduced:

H. F. No. 2156, A bill for an act relating to education; allowing districts intending to consolidate to be eligible for program improvement grants; amending Minnesota Statutes 1987 Supplement, section 129B.11, by adding a subdivision.

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

Nelson, K., introduced:

H. F. No. 2157, A bill for an act relating to taxation; allowing a corporate franchise tax credit for certain employee retraining expenses; amending Minnesota Statutes 1987 Supplement, section 290.092, subdivision 6; 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.

Gruenes and Marsh introduced:

H. F. No. 2158, A bill for an act relating to education; providing a temporary funding adjustment to the state university board.

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

Gruenes introduced:

H. F. No. 2159, A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

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

Steensma; Voss; Long; Johnson, V., and Winter introduced:

H. F. No. 2160, A bill for an act relating to snowmobiles; requiring payment of the sales and use tax before registration; amending Minnesota Statutes 1986, section 84.82, by adding subdivisions.

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

Pelowski, Dorn, Gruenes, Marsh and Johnson, R., introduced:

H. F. No. 2161, A bill for an act relating to retirement; teachers; removing the requirement that service used in annuity computation

be consecutive years; amending Minnesota Statutes 1986, section 354.44, subdivision 6.

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

Jacobs, Schreiber, Neuenschwander, Redalen and Begich introduced:

H. F. No. 2162, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

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

Valento, McDonald and Pauly introduced:

H. F. No. 2163, A bill for an act relating to taxation; changing the corporate alternative minimum tax; amending Minnesota Statutes 1987 Supplement, section 290.092, subdivision 5; repealing Minnesota Statutes 1987 Supplement, section 290.092, subdivisions 1, 2, 3, and 4.

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

Cooper; Welle; Nelson, C.; Brown and Otis introduced:

H. F. No. 2164, A bill for an act relating to education; providing for a deficiency appropriation for special education for fiscal year 1989; appropriating money.

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

Cooper, Munger, Trimble, Brown and Dille introduced:

H. F. No. 2165, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; requiring rulemaking; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Rodosovich; Wynia; Anderson, G.; Boo and Anderson, R., introduced:

H. F. No. 2166, A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

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

Seaberg, McKasy and Kelly introduced:

H. F. No. 2167, A bill for an act relating to crimes; making it a crime for athletic agents to induce student athletes to enter into agent contracts or professional sport services contracts before the athletes' collegiate eligibility expires; making it a crime for athletic agents to offer anything of value to employees of institutions of higher education in return for referral of student athlete clients; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Dorn, DeBlicck, Clark, Pelowski and Gruenes introduced:

H. F. No. 2168, A bill for an act relating to retirement; teachers; lowering the normal retirement age to 62 and adjusting the formula for early retirement; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354.46, subdivision 1; and 354.48, subdivision 10; Minnesota Statutes 1987 Supplement, sections 354.48, subdivision 3; 354.49, subdivision 3; and 354.55, subdivision 11.

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

Carruthers, Skoglund, Osthoff, Scheid and Clausnitzer introduced:

H. F. No. 2169, A bill for an act relating to insurance; regulating unfair settlement practices of automobile insurers; requiring equal treatment for opinions of chiropractors and medical doctors; amending Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 6.

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

Knuth, Pappas, Otis, Trimble and McKasy introduced:

H. F. No. 2170, A bill for an act relating to appropriations; providing money for the restoration of the St. Paul union depot concourse.

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

Sparby; Carlson, D.; Neuenschwander and Tunheim introduced:

H. F. No. 2171, A bill for an act relating to game and fish; requiring the adoption of rules under Minnesota Statutes, chapter 14, to designate muskellunge waters; amending Minnesota Statutes 1986, section 97C.011.

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

Johnson, R.; Pelowski; Dorn; DeBlicek and Gruenes introduced:

H. F. No. 2172, A bill for an act relating to retirement; state university and community college supplemental plan; authorizing a deduction for administrative expenses; deleting the age minimum for withdrawal of shares; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 136.81, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, subdivisions 1 and 2.

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

Johnson, V.; Carlson, D.; Sparby; Stanius and Waltman introduced:

H. F. No. 2173, A bill for an act relating to agriculture; appropriating money for purple loosestrife eradication grants.

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

Johnson, V.; Carlson, D.; Ogren; Nelson, D., and Stanius introduced:

H. F. No. 2174, A bill for an act relating to agriculture; shifting the responsibility for eradication of purple loosestrife in certain public waters and wetlands; amending Minnesota Statutes 1986, section 18.191.

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

Hugoson introduced:

H. F. No. 2175, A bill for an act relating to food handling; exempting certain retailers from a license requirement; amending Minnesota Statutes 1986, section 28A.04, subdivision 1.

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

Jaros; Munger; Rukavina; Anderson, R., and Ogren introduced:

H. F. No. 2176, A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

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

Nelson, C.; Kinkel and Sarna introduced:

H. F. No. 2177, A bill for an act relating to advertising devices; authorizing advertising on highways of special events at state parks, recreation areas, waysides, monuments, and trails; amending Minnesota Statutes 1986, section 173.08, subdivision 1.

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

Dawkins, Sarna, Ogren and McLaughlin introduced:

H. F. No. 2178, A bill for an act relating to energy; providing for minimum standards for fluorescent lamps; amending Minnesota Statutes 1986, section 116J.19, by adding a subdivision.

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

Solberg introduced:

H. F. No. 2179, A bill for an act relating to state parks; adding Hill-Annex Mine state park to the state park system; specifying terms and conditions of acquisition; appropriating funds; amending Minnesota Statutes 1986, section 85.012, by adding a subdivision.

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

Cooper; Bertram; Gruenes; Nelson, C., and Bauerly introduced:

H. F. No. 2180, A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

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

Beard introduced:

H. F. No. 2181, A bill for an act relating to workers' compensation; recodifying the workers' compensation law in chapter 176; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement, chapter 176.

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

Munger; Rose; Anderson, G.; Vanasek and Redalen introduced:

H. F. No. 2182, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislation commission and an advisory committee; proposing coding for new law as Minnesota Statutes, chapter 115C.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Pappas introduced:

H. A. No. 62, A proposal to study corporal punishment in Minnesota public schools.

The advisory was referred to the Committee on Education.

Kalis; Sarna; Carlson, D.; Anderson, G., and Lieder introduced:

H. A. No. 63, A proposal to study fluctuations in retail gasoline prices.

The advisory was referred to the Committee on Transportation.

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. 1575.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1575, A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986,

section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

The bill was read for the first time.

Battaglia moved that S. F. No. 1575 and H. F. No. 1841, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, 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 75th Legislature as adopted on February 11, 1987, 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 8, 1987~~ Wednesday, March 30, 1988, 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 20~~ Thursday, March 24, 1988.

(3) Rule 5.10 is amended to read:

5.10 WAYS AND MEANS COMMITTEE; RESOLUTION; EFFECT ON EXPENDITURES AND TAX BILLS. The Committee on Ways and Means shall hold hearings as necessary to determine state expenditures and taxes for the coming fiscal biennium. Not later than seven days after the Governor presents the last state revenue forecast during the regular legislative session, but in no case later than March 31, 1987, the Committee on Ways and Means shall report a budget resolution to the House for consideration. The budget resolution shall take the form of a House resolution that sets the maximum limitation on expenditures and taxes for the coming fiscal biennium for the general fund and an amount to be set aside as a budget reserve. The limitation is effective, if adopted, unless the House adopts a different limitation in a subsequent budget resolution that accounts for increases or decreases in general fund revenues and expenditures anticipated for the current fiscal biennium.

No bill described in Rule 5.7 or 5.9 shall be given its second reading until the House has received a statement from the Committee on Ways and Means certifying that the major expenditure and tax bills are reconciled and do not exceed the limitation specified in the budget resolution for the general fund. Major expenditure and tax bills are: the education appropriation bill; the health and human services appropriation bill; the state departments appropriation bill; the agriculture, transportation and semi-state appropriation bill; the education finance bill; the agriculture finance bill; and the omnibus tax bill. However, a bill may be given its second reading by special authorization of the Committee on Ways and Means or by majority vote of the whole House. A special authorization may be reported by an oral notice to the House from the Chairman of the Committee on Ways and Means or his designee stating that the fiscal impact of a bill will be accounted for in the reconciliation statement.

The Committee on Appropriations and the Committee on Taxes, upon recommending passage of any bill described in Rule 5.7 or 5.9, shall provide to the Committee on Ways and Means a fiscal statement on the bill.

After the House has received a reconciliation statement from the Committee on Ways and Means, the House shall not give a second reading to any bill described in Rule 5.7 or 5.9 other than the major expenditure and tax bills. However, a bill may be given its second reading after the House has received from the Committee on Ways and Means a statement certifying that the fiscal impact of the bill is within the guidelines of the budget resolution, or after authorization by majority vote of the whole House. The statement of the Committee on Ways and Means may be reported orally by the Chairman of the Committee on Ways and Means or his designee.

(4) 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. The member presenting the conference committee report to the House shall disclose all substantive changes from the House version of the bill.

~~In an odd-numbered year~~ Except after ~~Monday, May 11~~ Wednesday, March 30, 1988, a written copy of a report of a conference committee shall be placed on the desk of each member of the House 24 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.

(5) Rule 9.3 is amended to read:

9.3 DEADLINES. ~~In odd-numbered years,~~ Committee reports on bills favorably acted upon by a committee in the house of origin after ~~Friday, April 10~~ Thursday, March 10, 1988, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~Tuesday, April 28~~ Friday, March 18, 1988, shall be referred in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. However, referral is not required after the first deadline when, by the second deadline, a committee acts on a bill that is a companion to a bill that has then been acted upon by the first deadline in the Senate. This rule does not apply in the House Committees on Appropriations and on Taxes and to the education finance bill in the Committee on Education.

The motion prevailed and the amendment to the Permanent Rules of the House for the 75th Session was adopted.

CONSENT CALENDAR

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Jacobs	Lasley	Nelson, K.
Anderson, R.	Dawkins	Jaros	Lieder	Neuenschwander
Battaglia	DeBlieck	Jefferson	Long	O'Connor
Beard	DeRaad	Johnson, A.	Marsh	Ogren
Begich	Dille	Johnson, R.	McDonald	Olsen, S.
Bennett	Dorn	Johnson, V.	McEachern	Omann
Bertram	Forsythe	Kahn	McKasy	Onnen
Bishop	Frederick	Kahis	McPherson	Orenstein
Blatz	Frerichs	Kelly	Milbert	Osthoff
Burger	Greenfield	Kinkel	Miller	Otis
Carlson, D.	Gruenes	Kludt	Minne	Ozment
Carlson, L.	Gutknecht	Knickerbocker	Morrison	Pappas
Carruthers	Hartle	Knuth	Munger	Pauly
Clark	Haukoos	Kostohryz	Murphy	Pelowski
Clausnitzer	Heap	Krueger	Nelson, C.	Peterson
Cooper	Hugoson	Larsen	Nelson, D.	Popenhagen

Price	Rose	Skoglund	Tompkins	Welle
Quinn	Rukavina	Solberg	Trimble	Wenzel
Quist	Sarna	Sparby	Tunheim	Winter
Redalen	Schafer	Stanius	Uphus	Wynia
Reding	Scheid	Steensma	Valento	Spk. Vanasek
Rest	Schreiber	Sviggum	Vellenga	
Rice	Seaberg	Swenson	Voss	
Richter	Segal	Thiede	Wagenius	
Rodosovich	Shaver	Tjornhom	Waltman	

The bill was passed and its title agreed to.

H. F. No. 1766, A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, 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.	Greenfield	Lieder	Otis	Skoglund
Battaglia	Gruenes	Long	Ozment	Solberg
Beard	Gutknecht	Marsh	Pauly	Sparby
Begich	Hartle	McDonald	Pelowski	Stanius
Bennett	Haukoos	McEachern	Peterson	Steensma
Bertram	Heap	McKasy	Poppenhagen	Sviggum
Bishop	Hugoson	McPherson	Price	Swenson
Blatz	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Johnson, A.	Morrison	Reding	Tunheim
Carlson, L.	Johnson, R.	Munger	Rest	Uphus
Carruthers	Johnson, V.	Murphy	Rice	Valento
Clark	Kahn	Nelson, C.	Richter	Vellenga
Clausnitzer	Kalis	Nelson, D.	Riveness	Voss
Cooper	Kelly	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelso	Neuenschwander	Rose	Waltman
Dawkins	Kinkel	O'Connor	Rukavina	Welle
DeBlicke	Kludd	Ogren	Sarna	Wenzel
DeRaad	Knickerbocker	Olsen, S.	Schafer	Winter
Dille	Knuth	Olson, K.	Scheid	Wynia
Dorn	Kostohryz	Omann	Schreiber	Spk. Vanasek
Forsythe	Krueger	Onnen	Seaberg	
Frederick	Larsen	Orenstein	Segal	
Frerichs	Lasley	Osthoff	Shaver	

The bill was passed and its title agreed to.

CALENDAR

H. F. No. 421, A bill for an act relating to health; authorizing the

commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

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.	Hartle	McDonald	Pappas	Solberg
Battaglia	Haukoos	McEachern	Pauly	Sparby
Beard	Heap	McKasy	Pelowski	Stanius
Begich	Hugoson	McPherson	Peterson	Steensma
Bennett	Jacobs	Milbert	Poppenhagen	Svigum
Bertram	Jaros	Miller	Price	Swenson
Bishop	Jefferson	Minne	Quinn	Thiede
Burger	Johnson, A.	Morrison	Redalen	Tjornhom
Carlson, D.	Johnson, R.	Munger	Reding	Tompkins
Carlson, L.	Johnson, V.	Murphy	Rest	Trimble
Carruthers	Kahn	Nelson, C.	Rice	Tunheim
Clark	Kalis	Nelson, D.	Richter	Uphus
Clausnitzer	Kelly	Nelson, K.	Riveness	Valento
Cooper	Kinkel	Neuenschwander	Rodosovich	Vellenga
Dauner	Kludt	O'Connor	Rose	Voss
Dawkins	Knickerbocker	Ogren	Rukavina	Wagenius
DeRaad	Knuth	Olsen, S.	Sarna	Waltman
Dille	Kostohryz	Olson, K.	Schafer	Welle
Dorn	Krueger	Omam	Scheid	Wenzel
Forsythe	Larsen	Onnen	Schreiber	Winter
Frederick	Lasley	Orenstein	Seaberg	Wynia
Frerichs	Lieder	Osthoff	Segal	Spk. Vanasek
Greenfield	Long	Otis	Shaver	
Gutknecht	Marsh	Ozment	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1754, A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Lieder	Ozment	Skoglund
Anderson, R.	Greenfield	Long	Pappas	Solberg
Battaglia	Gruenes	Marsh	Pauly	Sparby
Beard	Gutknecht	McDonald	Pelowski	Stanius
Begich	Hartle	McEachern	Peterson	Steenasma
Bennett	Haukoos	McKasy	Poppenhagen	Sviggum
Bertram	Heap	McPherson	Price	Swenson
Bishop	Hugoson	Milbert	Quinn	Thiede
Blatz	Jacobs	Miller	Quist	Tjornhom
Brown	Jaros	Minne	Redalen	Tompkins
Burger	Jefferson	Morrison	Reding	Trimble
Carlson, D.	Johnson, A.	Murphy	Rest	Tumheim
Carlson, L.	Johnson, R.	Nelson, C.	Rice	Uphus
Carruthers	Johnson, V.	Nelson, D.	Richter	Valento
Clark	Kahn	Nelson, K.	Riveness	Vellenga
Clausnitzer	Kelly	Neuenschwander	Rodosovich	Voss
Cooper	Kelso	O'Connor	Rose	Wagenius
Dauner	Kinkel	Ogren	Rukavina	Waltman
Dawkins	Kludt	Olsen, S.	Sarna	Welle
DeBlicke	Knickerbocker	Olson, K.	Schafer	Wenzel
DeRaad	Knuth	Omnn	Scheid	Winter
Dille	Kostohryz	Onnen	Schreiber	Wynia
Dorn	Krueger	Orenstein	Seaberg	Spk. Vanasek
Forsythe	Larsen	Osthoff	Segal	
Frederick	Lasley	Otis	Shaver	

The bill was passed and its title agreed to.

S. F. No. 236, A bill for an act relating to obscenity; prohibiting the distribution and exhibition of obscene materials and performances; prescribing penalties; amending Minnesota Statutes 1986, section 617.241.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kelso	Nelson, C.	Quinn
Anderson, R.	Dorn	Kinkel	Nelson, D.	Quist
Battaglia	Forsythe	Kludt	Nelson, K.	Redalen
Beard	Frederick	Knickerbocker	Neuenschwander	Reding
Begich	Frerichs	Knuth	O'Connor	Rest
Bennett	Gruenes	Kostohryz	Ogren	Richter
Bertram	Gutknecht	Krueger	Olsen, S.	Riveness
Bishop	Hartle	Larsen	Olson, K.	Rodosovich
Blatz	Haukoos	Lasley	Omnn	Rose
Brown	Heap	Lieder	Onnen	Rukavina
Burger	Hugoson	Marsh	Orenstein	Sarna
Carlson, D.	Jacobs	McDonald	Osthoff	Schafer
Carlson, L.	Jaros	McEachern	Otis	Scheid
Carruthers	Jefferson	McKasy	Ozment	Schreiber
Clark	Jennings	McPherson	Pappas	Seaberg
Clausnitzer	Johnson, A.	Milbert	Pauly	Segal
Cooper	Johnson, R.	Miller	Pelowski	Shaver
Dauner	Johnson, V.	Minne	Peterson	Skoglund
DeBlicke	Kalis	Morrison	Poppenhagen	Solberg
DeRaad	Kelly	Murphy	Price	Sparby

Stanis
Steensma
Sviggum
Swenson

Thiede
Tjornhom
Tompkins
Trimble

Tunheim
Uphus
Valento
Vellenga

Voss
Wagenius
Waltman
Welle

Wenzel
Winter
Wynia
Spk. Vanasek

Those who voted in the negative were:

Dawkins Greenfield Kahn Long

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 Vanasek 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. 1853 and 1886 were recommended to pass.

H. F. Nos. 297, 1705, 1790, 1806 and 1836 were recommended for progress.

H. F. No. 453 was recommended for progress until Monday, February 29, 1988.

S. F. No. 537 was recommended for progress.

H. F. No. 1846, the first engrossment, which it recommended to pass with the following amendment offered by Jennings:

Page 1, line 13, delete "weight," and after "date" delete "and time of"

Page 1, line 14, delete "weighing"

On the motion of Wynia 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:

Miller moved to amend H. F. No. 1846, the first engrossment, as follows:

Page 1, lines 10 and 11, delete "and without a search warrant"

The question was taken on the Miller amendment and the roll was called. There were 52 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Gruenes	Marsh	Poppenhagen	Sparby
Bishop	Gutknecht	McDonald	Quist	Sviggm
Blatz	Haukoos	McKasy	Redalen	Thiede
Burger	Heap	McPherson	Richter	Tjornhom
Carlson, D.	Himle	Miller	Rose	Tompkins
Clausnitzer	Hugoson	Neuenschwander	Schafer	Uphus
Dawkins	Jennings	Olson, K.	Scheid	Valento
DeRaad	Johnson, V.	Omman	Schreiber	Waltman
Dille	Kelso	Onnen	Seaberg	
Forsythe	Kludt	Orenstein	Shaver	
Frerichs	Knickerbocker	Ozment	Solberg	

Those who voted in the negative were:

Battaglia	Hartle	Lieder	Olsen, S.	Stanius
Beard	Jacobs	Long	Osthoff	Steenma
Begich	Jaros	McEachern	Otis	Swenson
Bennett	Jefferson	McLaughlin	Pappas	Trimble
Bertram	Johnson, R.	Milbert	Pelowski	Tunheim
Carlson, L.	Kahn	Minne	Peterson	Voss
Carruthers	Kalis	Morrison	Price	Wagenius
Clark	Kelly	Munger	Quinn	Welle
Cooper	Kinkel	Murphy	Reding	Wenzel
Dauner	Knuth	Nelson, C.	Rodosovich	Winter
DeBlicke	Kostohryz	Nelson, D.	Rukavina	Wynia
Dorn	Krueger	Nelson, K.	Sarna	Spk. Vanasek
Frederick	Larsen	O'Connor	Segal	
Greenfield	Lasley	Ogren	Skoglund	

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

Jennings moved to amend H. F. No. 1846, the first engrossment, as follows:

Page 1, line 13, delete "weight," and after "date" delete "and time of"

Page 1, line 14, delete "weighing"

The question was taken on the Jennings amendment and the roll was called. There were 73 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Anderson, R.	Bennett	Bertram	Blatz
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Burger	Haukoos	Lasley	Onnen	Seaberg
Carlson, D.	Heap	Marsh	Osthoff	Shaver
Clausnitzer	Himle	McDonald	Ozment	Solberg
Cooper	Hugoson	McEachern	Pauly	Stanius
Dauner	Jacobs	McKasy	Peterson	Sviggum
DeBlicck	Jennings	McPherson	Poppenhagen	Thiede
DeRaad	Johnson, R.	Miller	Quist	Tjornhom
Dille	Johnson, V.	Morrison	Redalen	Tompkins
Dorn	Kalis	Neuenschwander	Reding	Uphus
Frederick	Kelso	O'Connor	Richter	Valento
Frerichs	Kinkel	Ogren	Sarna	Waltman
Gruenes	Kludt	Olsen, S.	Schafer	Wenzel
Gutknecht	Knickerbocker	Olson, K.	Scheid	
Hartle	Krueger	Omann	Schreiber	

Those who voted in the negative were:

Battaglia	Jaros	Milbert	Price	Swenson
Beard	Jefferson	Minne	Rest	Trimble
Begich	Johnson, A.	Munger	Rice	Tunheim
Bishop	Kahn	Murphy	Riveness	Vellenga
Brown	Kelly	Nelson, C.	Rodosovich	Voss
Carruthers	Knuth	Nelson, D.	Rukavina	Wagenius
Clark	Larsen	Nelson, K.	Segal	Winter
Dawkins	Lieder	Orenstein	Skoglund	Wynia
Forsythe	Long	Pappas	Sparby	Spk. Vanasek
Greenfield	McLaughlin	Pelowski	Steenasma	

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Neuenschwander moved that his name be stricken and the name of Krueger be added as chief author on H. F. No. 445. The motion prevailed.

Heap moved that the name of Rodosovich be added as an author on H. F. No. 1291. The motion prevailed.

Waltman moved that the name of Sviggum be added as an author on H. F. No. 1772. The motion prevailed.

Johnson, A., moved that the name of Price be added as an author on H. F. No. 1805. The motion prevailed.

Jefferson moved that the name of Dawkins be added as an author on H. F. No. 1847. The motion prevailed.

Jefferson moved that the name of Dawkins be added as an author on H. F. No. 1848. The motion prevailed.

Jefferson moved that the names of Dawkins and Trimble be added as authors on H. F. No. 1849. The motion prevailed.

Jefferson moved that the names of Dawkins and Clark be added as authors on H. F. No. 1872. The motion prevailed.

Greenfield moved that the name of Lasley be added as an author on H. F. No. 1891. The motion prevailed.

Omamm moved that the name of Hugoson be added as an author on H. F. No. 1909. The motion prevailed.

Johnson, R., moved that the name of Neuenschwander be added as an author on H. F. No. 1931. The motion prevailed.

Ogren moved that the names of Carlson, D., and Johnson, V., be added as authors on H. F. No. 1942. The motion prevailed.

Murphy moved that the name of Clark be added as an author on H. F. No. 1948. The motion prevailed.

DeBlicck moved that the name of Olsen, S., be added as an author on H. F. No. 1959. The motion prevailed.

Vellenga moved that the name of Trimble be added as an author on H. F. No. 1960. The motion prevailed.

Johnson, V., moved that the name of Olsen, S., be added as an author on H. F. No. 1967. The motion prevailed.

Johnson, V., moved that the name of Anderson, R., be added as an author on H. F. No. 1998. The motion prevailed.

Vellenga moved that the names of Blatz and Sparby be added as authors on H. F. No. 2006. The motion prevailed.

Bauerly moved that the names of Bertram and Gruenes be added as authors on H. F. No. 2007. The motion prevailed.

Tunheim moved that the names of Segal and Wenzel be added as authors on H. F. No. 2015. The motion prevailed.

Clark moved that the name of Dawkins be added as an author on H. F. No. 2019. The motion prevailed.

Welle moved that the name of Peterson be added as an author on H. F. No. 2033. The motion prevailed.

Milbert moved that the name of Otis be added as an author on H. F. No. 2034. The motion prevailed.

Simoneau moved that the name of Solberg be added as an author on H. F. No. 2035. The motion prevailed.

McLaughlin moved that the name of Dawkins be added as an author on H. F. No. 2037. The motion prevailed.

McLaughlin moved that the name of Dawkins be added as an author on H. F. No. 2038. The motion prevailed.

Johnson, A., moved that the name of Jefferson be added as an author on H. F. No. 2040. The motion prevailed.

Clark moved that H. F. No. 2011. be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary. The motion prevailed.

Minne moved that H. F. No. 1935 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Financial Institutions and Insurance. The motion prevailed.

Long moved that H. F. No. 873 be returned to its author. The motion prevailed.

MOTION TO TAKE FROM THE TABLE

Scheid moved that H. F. No. 236 be taken from the table, that the Speaker appoint a Conference Committee of 3 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.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 236:

Scheid, Neuenschwander and Knickerbocker.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 257:

Simoneau; Johnson, R., and Knickerbocker.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 727:

Simoneau; Johnson, R., and Knickerbocker.

NOTICE PURSUANT TO RULE 1.16

Pursuant to rule 1.16, Thiede gave notice that he is requesting the return to the House of H. F. No. 173 from the Committee on General Legislation, Veterans Affairs and Gaming.

ANNOUNCEMENT BY THE SPEAKER

The following members of the House are hereby appointed to a Select Committee on Ethics:

Long, Chair; Solberg; Reding; Anderson, R.; Pauly and Bishop.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, February 25, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, February 25, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, FEBRUARY 25, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Representative James I. Rice, District 57A, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Greenfield	Larsen	Osthoff	Simoneau
Battaglia	Gruenes	Lasley	Otis	Skoglund
Bauerly	Gutknecht	Lieder	Ozment	Solberg
Beard	Hartle	Long	Pappas	Sparby
Begich	Haukoos	Marsh	Pauly	Stanius
Bennett	Heap	McDonald	Pelowski	Steensma
Bertram	Himle	McKasy	Peterson	Sviggum
Bishop	Hugoson	McLaughlin	Poppenhagen	Swenson
Blatz	Jacobs	McPherson	Price	Thiede
Boo	Jaros	Milbert	Quinn	Tjornhom
Brown	Jefferson	Miller	Quist	Tompkins
Burger	Jennings	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Neuenschwander	Rodosovich	Wagenius
Dauner	Kelly	O'Connor	Rose	Waltman
Dawkins	Kelso	Ogren	Rukavina	Welle
DeBlicke	Kinkel	Olsen, S.	Sarna	Wenzel
Dempsey	Kludt	Olson, E.	Schafer	Winter
Dille	Knickerbocker	Olson, K.	Schreiber	Wynia
Dorn	Knuth	Omam	Seaberg	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Segal	

A quorum was present.

DeRaad, McEachern and Nelson, K., were excused.

Scheid was excused until 2:25 p.m. Frerichs was excused until 2:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Skoglund 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. 1709, 1741, 1816, 1850, 1867, 1942, 1851 and 1846 and S. F. No. 1575 have been placed in the members' files.

S. F. No. 1575 and H. F. No. 1841, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Battaglia moved that the rules be so far suspended that S. F. No. 1575 be substituted for H. F. No. 1841 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 718, A bill for an act relating to public employees; defining terms and conditions of public employment; allowing expanded payment of certain accumulated sick leave; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; and 465.72, subdivision 2.

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 920, A bill for an act relating to retirement; judges' retirement benefits; amending Minnesota Statutes 1986, sections 490.123, subdivision 1; and 490.129.

Reported the same back with the following amendments:

Page 2, line 14, after "benefit" insert "attributable to judicial service"

Page 2, line 24, after "benefit" insert "attributable to judicial service"

Page 2, delete lines 29 and 30 and insert:

"Section 1 is effective July 1, 1988. Section 2 is effective retroactively to August 1, 1987, and applies to benefits that accrued, accrue, or would have accrued after that date."

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 944, A bill for an act relating to retirement; Minnesota state retirement system; teachers retirement association; first class city teachers retirement funds; authorizing early unreduced retirement under the rule of 90; amending Minnesota Statutes 1986, sections 352.116, by adding a subdivision; 354.44, subdivision 6; and 354A.31, subdivisions 5 and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 352.116, is amended by adding a subdivision to read:

Subd. 2a. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Any person whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in section 352.115, without any reduction in the amount of the annuity by reason of the early retirement.

Sec. 2. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of the member's formula service credit.

For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Except as provided in clause (4), where any member retires prior to age 65 under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under age 62.

(4) Any member whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in clauses (1) and (2) without any reduction in the amount of the annuity by reason of early retirement.

Sec. 3. Minnesota Statutes 1986, section 354A.23, is amended by adding a subdivision to read:

Subd. 4. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Notwithstanding anything to the contrary in the articles and bylaws of the basic programs enumerated in chapter 354A, any member whose age plus credited allowable service totals 90 years

shall be entitled upon termination of active service and application, to a normal retirement annuity provided in the articles and bylaws without any reduction in the amount of the annuity by reason of early retirement.

Sec. 4. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Except as provided in subdivision 7, upon retirement at an age prior to age 65 with five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 5. Minnesota Statutes 1986, section 354A.31, is amended by adding a subdivision to read:

Subd. 7. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Any member whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in subdivision 4 without any reduction in the amount of the annuity by reason of early retirement.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective on July 1, 1988."

Delete the title and insert:

"A bill for an act relating to retirement; Minnesota state retirement system; teachers retirement association; teachers retirement associations in cities of the first class; authorizing early unreduced retirement under the rule of 90; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; and 354A.31, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; and 354A.31, subdivision 6."

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1761, A bill for an act relating to Mille Lacs county; authorizing sale of certain tax-forfeited land.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116.60] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [AGENCY.] “Agency” means the pollution control agency.

Subd. 3. [CERTIFICATE OF COMPLIANCE.] “Certificate of compliance” means a serially numbered written instrument or device indicating that a motor vehicle complies with the standards and criteria adopted by the agency under section 3.

Subd. 4. [CERTIFICATE OF WAIVER.] “Certificate of waiver” means a serially numbered written instrument or device indicating that the requirement of compliance with the standards and criteria of the agency has been waived for a motor vehicle under section 3.

Subd. 5. [DEPARTMENT.] “Department” means the department of public safety.

Subd. 6. [METROPOLITAN AREA.] “Metropolitan area” has the meaning given in section 473.121.

Subd. 7. [MOTOR VEHICLE.] "Motor vehicle" means a passenger automobile, station wagon, pickup truck, or van, as defined in section 168.011, licensed for use on the public streets and highways.

Subd. 8. [PUBLIC INSPECTION STATION.] "Public inspection station" means a facility for motor vehicle inspection operated under contract with the agency under section 3.

Subd. 9. [FLEET INSPECTION STATION.] "Fleet inspection station" means a facility for the inspection of motor vehicle fleets operated under license issued by the agency under section 3.

Subd. 10. [OWNER.] "Owner" has the meaning given it in section 168.011.

Subd. 11. [REGISTRAR.] "Registrar" means the registrar of motor vehicles under section 168.33.

Sec. 2. [116.61] [INSPECTION REQUIRED.]

Subdivision 1. [REQUIREMENT.] (a) Beginning no later than July 1, 1991, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected annually for air pollution emissions as provided in sections 1 to 6.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 1 to 6 and received a certificate of compliance or a certificate of waiver.

Subd. 2. [EXEMPT VEHICLES.] The following motor vehicles are exempt from the requirements of this section:

- (1) a motor vehicle manufactured before the 1976 model year;
- (2) a motor vehicle registered as classic, pioneer, collector, or street rod under section 168.10;
- (3) a motor vehicle that is exempted in accordance with rules of the agency because the vehicle, although registered to an owner residing in the metropolitan area, is customarily domiciled outside of the metropolitan area; and

(4) any class of motor vehicle that is exempted by rule of the agency because the vehicles present prohibitive inspection problems or are inappropriate for inspection.

Sec. 3. [116.62] [MOTOR VEHICLE INSPECTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT] The agency shall establish and administer a program to test and inspect for air pollution emissions the motor vehicles that are subject to the requirement of section 2.

Subd. 2. [CRITERIA AND STANDARDS.] (a) The agency shall adopt rules for the program under chapter 14 establishing standards and criteria governing the testing and inspection of motor vehicles for air pollution emissions.

(b) The rules must specify maximum pollutant emission levels for motor vehicles, giving consideration to the levels of emissions necessary to achieve applicable federal and state air quality standards. The standards may be different for different model years, sizes, and types of motor vehicles.

(c) The rules must establish testing procedures and standards for test equipment used for the inspection. The test procedures or procedures producing comparable results must be available to the automobile pollution equipment repair industry. The test equipment used for the inspection or comparable equipment must be available to the repair industry on the open market.

(d) The rules must establish standards and procedures for the issuance of licenses for fleet inspection stations.

(e) The rules must establish standards and procedures for the issuance of certificates of compliance and waiver.

Subd. 3. [PUBLIC INSPECTION STATIONS; CONTRACT.] (a) The program shall provide for the inspection of motor vehicles at public inspection stations. The number and location of the stations must provide convenient public access.

(b) The agency shall contract with a private entity for the design, construction, equipment, establishment, maintenance, and operation of the public inspection stations and the provision of related services and functions. The contractor and its officers and employees may not be engaged in the business of selling, maintaining, or repairing motor vehicles or selling motor vehicle replacement or repair parts, except that the contractor may repair any motor vehicle owned or operated by the contractor. The contractor's employees are not employees of the state for any purpose. In evaluating contractors, the agency shall consider the contractors'

policies and standards on working conditions of employees. Contracts must require the contractor to operate the public inspection stations for a minimum of five years and may provide for equitable compensation, from the vehicle emission inspection account established by section 6, for capital costs and other appropriate expenditures to the contractor, as determined by the agency.

(c) A public inspection station shall inspect and reinspect motor vehicles in accordance with the agency rules and contract. The inspection station shall issue a certificate of compliance for a motor vehicle that has been inspected and determined to comply with the standards and criteria of the agency adopted under this section. If a certificate of compliance cannot be issued, the inspection station shall provide a written inspection report describing the reasons for rejection and, when appropriate, the repairs needed or likely to be needed to bring the vehicle into compliance with the standards and criteria.

(d) The agency shall develop a means of responding to inquiries from members of the public about the current status of a motor vehicle under the program, including the last date of inspection, certification of compliance, and the terms under which a certificate of waiver has been issued. The agency shall ensure in its public information program that the public is aware of this service. The agency may contract for the provision of this service.

Subd. 4. [FLEET INSPECTION STATIONS; LICENSE.] (a) The program shall provide for the licensing of fleet inspection stations by the agency. The license must be issued by the agency, upon payment of a licensing fee in a manner and an amount prescribed by the agency, when the agency determines that an applicant satisfies the requirements of this section and agency rules.

(b) Owners of a fleet of 50 or more motor vehicles may apply for a fleet inspection station license. Two or more persons each owning 25 or more motor vehicles may apply jointly for a fleet inspection station license.

(c) A licensee shall have the facilities, equipment, and personnel to competently perform the inspections required by sections 1 to 10 and the rules of the agency. A licensee shall provide for the inspection of each fleet vehicle in accordance with the requirements of section 2 and before registration of the vehicle shall indicate in a manner prescribed by the agency whether the vehicle complies with the emission standards of the agency.

(d) A fleet inspection station license authorizes and obligates the licensee to perform inspections only on motor vehicles owned or operated exclusively by the fleet licensee.

(e) A licensee shall maintain records of all inspections in a

manner prescribed by the agency and shall make the records available for inspection by authorized representatives of the agency during normal business hours.

(f) To ensure compliance, the agency may require fleet licensees to submit motor vehicles designated by the agency numbering five percent or five motor vehicles, whichever is larger, to annual inspection at public inspection stations.

Subd. 5. [CERTIFICATES OF WAIVER.] (a) A certificate of waiver, valid for one year, must be issued for a motor vehicle following inspection if:

(1) a low emissions adjustment has been performed on the vehicle within 90 days prior to the renewal of registration, and

(2) either the estimated cost of repairs and adjustments necessary to bring the vehicle into compliance with emissions standards or the actual cost of repairs already performed on a vehicle in accordance with the inspection report under subdivision 3 exceeds the repair cost limit.

(b) The following costs may not be considered in determining eligibility for waiver under paragraph (a): costs covered by warranty and costs necessary to repair or replace any emission control equipment that has been removed, dismantled, tampered with, misfueled, or otherwise rendered inoperative in violation of section 325E.0951.

(c) The repair cost limit is \$75 for vehicles manufactured before the 1981 model year, and \$200 for vehicles manufactured in the 1981 model year and after.

(d) A temporary certificate of waiver, valid for not more than 30 days, may be issued to a vehicle to allow time for inspection and necessary repairs and adjustments.

Subd. 6. [FEDERAL GRANTS.] The agency shall apply for and accept on behalf of the state any funds made available by the federal government or by any other sources for motor vehicle pollution control programs.

Subd. 7. [STUDIES; DATA COLLECTIONS; ANNUAL REPORT.] The agency shall collect data and undertake studies necessary to evaluate the cost, effectiveness, and benefits of the motor vehicle inspection program. The agency shall compile data on failure rate, compliance rate, the number of certificates issued, and other similar matters. The agency shall report on the operation of the motor vehicle inspection program to the legislature by January 1, 1992, and every two years thereafter.

Subd. 8. [PUBLIC INFORMATION; TRAINING.] The agency shall design, prepare, and implement a public information program for the motor vehicle inspection program, in cooperation with the department and the contractor under section 3, subdivision 3. The program must include material for distribution, presentations, mass media releases, and other appropriate material.

Sec. 4. [116.63] [PROHIBITED ACTS.]

Subdivision 1. [WRONGFUL CERTIFICATION.] No person may issue a certificate of compliance for a motor vehicle that has not been inspected in accordance with or is not in compliance with the rules of the agency.

Subd. 2. [REFERRAL FOR PARTS OR REPAIR.] An employee, owner, or operator of a public inspection station may not furnish information, except information provided by the state, about the name or other description of a parts or repair facility or other place where parts, repairs, or adjustments may be obtained to bring a motor vehicle into compliance with the rules of the agency.

Subd. 3. [ALTERATION.] A person may not materially alter or change any equipment or mechanism of a motor vehicle that has been certified to comply with the rules of the agency, so that the motor vehicle is no longer in compliance with those rules.

Subd. 4. [FALSE REPAIR COSTS.] A person may not provide false information to a public inspection station or the agency about estimated or actual repair costs or repairs needed to bring a motor vehicle into compliance with the standards of the agency. A person may not claim an amount spent for repair if the repairs were not made or the amount not spent.

Sec. 5. [116.64] [INSPECTION FEE.]

Subdivision 1. [AMOUNT.] An annual fee established in accordance with the rules of the agency, not to exceed \$10, is imposed for the cost of the inspection of a motor vehicle at a public inspection station and such reinspections as the rules of the agency allow, the cost of the contract entered under section 3, subdivision 3, and the administrative costs of the agency and the department.

Subd. 2. [APPLICATION.] The fee must be paid for each motor vehicle inspected at a public inspection station, including a motor vehicle that is exempt from license fees under section 168.012 or 473.448.

Subd. 3. [PAYMENT.] The fee must be paid to the registrar at the time that the motor vehicle is reregistered or, for vehicles exempt

from license fees under section 168.012 or 473.488, at a time set by the agency.

Sec. 6. [116.65] [VEHICLE EMISSION INSPECTION ACCOUNT.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A vehicle emission inspection account is created in the state treasury and may be used only to pay the cost of the motor vehicle inspection program and the costs of the agency and department to administer sections 1 to 6.

Subd. 2. [REVENUE SOURCE.] Revenue from the following sources must be deposited in the vehicle emission inspection account:

(1) money recovered by the state under section 4, and money paid under any agreement, stipulation, or settlement;

(2) money received by the agency in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purpose of the account;

(3) fleet inspection station licensing fees;

(4) interest attributable to investment of money deposited in the fund; and

(5) the proceeds of the inspection fee.

Subd. 3. [APPROPRIATION.] By the end of the initial contract entered by the agency under section 3, subdivision 3, the amounts appropriated from the motor vehicle transfer fund to the vehicle emission inspection account must be repaid to the transfer fund, and the amounts necessary for this repayment are appropriated from the vehicle emission inspection account.

Sec. 7. [APPROPRIATION.]

\$ is appropriated to the agency from the motor vehicle transfer fund for transfer to the vehicle emission inspection account.

Sec. 8. [APPROVED COMPLEMENT.]

The approved complement of the agency is increased by classified positions. The positions approved by this section must be paid from the vehicle emission inspection account.

Sec. 9. [STUDY.]

The agency shall study and report to the legislature on the effectiveness, costs, and benefits of requiring the use of alternative fuels and of extending the requirements of section 2 to other vehicles registered in the metropolitan area and to other pollution by these vehicles.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are 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.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1805, A bill for an act relating to energy; requiring repairs or inspections of furnaces to include inspection for leaks of noxious gases or provide notice that this type of inspection was not conducted; amending Minnesota Statutes 1986, sections 325F.19, by adding subdivisions; and 325F.23, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325F.241] [HEATING SYSTEM SAFETY.]

Subdivision 1. [DEFINITION.] For the purpose of this section "heating system" means a hot air central heating furnace, or a hot water or steam central heating boiler which uses liquid, gaseous, or solid fuels and accessories necessary for its safe operation.

Subd. 2. [SAFETY TEST.] (a) A person or firm who, for a charge, repairs, services, or inspects a heating system in a residential dwelling that contains less than five units, shall at the time of the repair, servicing, or inspection, also conduct a safety test for the existence of carbon monoxide in the flue gases, or provide a notice as required under subdivision 3. If the person finds that carbon monoxide exists in the heating system, the person must take appropriate steps to eliminate the carbon monoxide from the flue gases. If carbon monoxide is found in the flue gases and the dwelling has a hot air central heating furnace, an additional safety test must be conducted for the existence of carbon monoxide in the household air stream.

(b) If the person makes a recommendation regarding the condition of the heating system or the safety of continued operation of the

system, the person must provide the owner of the system with the results of any flue gas analysis test or heat exchanger safety check or provide notice that the repair, service, or inspection did not include a flue gas analysis or heat exchanger test.

Subd. 3. [NOTICE.] If the person does not conduct the safety tests as required under subdivision 2, the person must notify the owner of the heating system that the repair, service, or inspection conducted did not include safety tests for the existence of carbon monoxide. The notice required by this subdivision must be given at the time the repair or inspection takes place and be included in writing with the bill for services rendered. The written notice must state "THE REPAIR, SERVICE, OR INSPECTION OF YOUR HEATING SYSTEM DID NOT INCLUDE SAFETY TESTS FOR THE EXISTENCE OF CARBON MONOXIDE."

Subd. 4. [CONTRACTOR NOTICE.] Any contractor or auditor that performs work or conducts an audit on a residential dwelling that contains less than five units which is designed to make the residence more energy efficient and which may reduce the air infiltration in the building shall provide the owner of the residence with a written notice stating that work to improve the energy efficiency may also result in changes in the ventilation and air quality in the residence and stating that the owner should have the heating system of the residence checked for the existence of carbon monoxide by a qualified furnace contractor to assure that the heating system is operating properly and that there will be no accumulation of carbon monoxide in the residence.

Subd. 5. [EXCEPTION.] This section does not apply to a public utility's or fuel supplier's activities related to providing or maintaining service to its customers."

Delete the title and insert:

"A bill for an act relating to energy; requiring repairs, servicing, or inspections of heating systems to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; proposing coding for new law in Minnesota Statutes, chapter 325F."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1817, A bill for an act relating to watercraft; requiring

lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1858. A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1940. A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivisions 1 and 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 325F.56, subdivision 8, is amended to read:

Subd. 8. "Written estimate" means a writing which includes:

- (a) The name and address of the shop;
- (b) A description of the problem to be repaired as described by the customer and any specific repair requested by the customer;
- (c) The charges for parts or materials listed with reasonable particularity and indicating whether the parts are new, used, rebuilt, reconditioned, or replated if this information is known by the shop. If parts, other than window glass, used in the repair are

new parts, the estimate must indicate whether or not those parts are original equipment parts;

(d) A reasonable storage fee, if the shop imposes a fee for storage;

(e) Labor charges;

(f) Tax;

(g) Any delivery charge;

(h) Any other charges; and

(i) The total estimated price.

Sec. 2. Minnesota Statutes 1986, section 325F.58, subdivision 3, is amended to read:

Subd. 3. At the time a shop provides a customer with a written estimate, the shop shall inform the customer that any charge for storage or care, a service call or a charge for making an estimate shall be in addition to the estimated price for the repairs.

Sec. 3. Minnesota Statutes 1987 Supplement, section 325F.60, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION; REQUIREMENTS.] Notwithstanding the provisions of section 325F.56, subdivision 2, for the purpose of this section "repair" means work of any value performed under a manufacturer's warranty, a service contract, or an insurance policy; or any repair work performed for a total value of more than \$50, including the price of parts and materials, to restore a malfunctioning, defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates. Upon completion of repairs, a shop shall provide the customer with a copy of a dated invoice for the repairs performed. If the customer receives a repaired motor vehicle or appliance without face to face contact with the shop, the shop shall mail the invoice to the customer within two business days after the shop has knowledge of removal of the item. The invoice shall contain the following information:

(a) The date of repair;

(b) The name and address of the shop;

(c) A description of all repairs performed;

(d) An itemization of the charges for parts, materials, labor, tax, delivery, storage or care, and any other charges assessed against the customer;

(e) A notation specifying which parts, if any, are new, used, rebuilt, reconditioned, or replated if that information is known by the shop. If parts, other than window glass, used in the repair are new parts, the invoice must indicate whether or not those parts are original equipment parts;

(f) A statement of any charge for storage or care, a service call or for making an estimate;

(g) A statement of the odometer reading at the time a motor vehicle is presented for repairs; and

(h) A statement of the symptoms, as described by the customer, for which the repairs were sought.

Sec. 4. Minnesota Statutes 1986, section 325F.62, subdivision 3, is amended to read:

Subd. 3. Each shop shall conspicuously display a sign that states the following: "Upon a customer's request, this shop is required to provide a written estimate for repairs costing \$100 to \$2,000 if the shop agrees to perform the repairs. The shop's final price cannot exceed its written estimate by more than ten percent without the prior authorization of the customer. You must request that the estimate be in writing. An oral estimate is not subject to the above repair cost limitations. If the shop charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall conspicuously display a sign that states the amount assessed for storage or care, when the charge begins to accrue, and the interval of time between assessments."

Amend the title as follows:

Page 1, line 5, delete "subdivisions 1 and" and insert "subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1979, A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivi-

sions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

Reported the same back with the following amendments:

Page 2, line 7, delete "agreement" and insert "relationship"

Page 2, line 8, before "done" insert "relationship"

Page 2, line 16, delete "a"

Page 2, delete lines 30 to 35

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2012, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement; sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Reported the same back with the following amendments:

Page 18, line 35, delete the comma and insert "; and does not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3;"

Page 19, line 18, after "plans" insert "and do not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3,"

Page 20, line 15, after "(e)" insert "If the applicant has been terminated from individual health coverage which does not provide replacement coverage,"

Page 20, line 23, after "and" insert "evidence that no replacement coverage that meets the requirements of section 12, subdivision 3, was offered; and"

Page 21, line 11, after "provided" insert "(1) no replacement coverage that meets the requirements of section 12, subdivision 3, was offered by the contributing member and (2)"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2018, A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.15, subdivision 2; 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

Reported the same back with the following amendments:

Page 7, line 4, after the period insert "The board may delegate to the executive director authority to act on behalf of the board."

Page 9, line 3, delete "day of"

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2020, A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes

1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2031, A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.61, subdivision 5; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.919; 115B.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 116.55; and 116M.07, subdivision 14.

Reported the same back with the following amendments:

Page 2, line 34, delete "16" and insert "18"

Page 5, line 22, delete "12" and insert "13"

Page 5, line 24, before the semicolon insert "the report on state solid waste management policy to be prepared jointly with the agency pursuant to section 115A.411"

Page 5, line 25, after the comma insert "the report on state solid

waste management policy to be prepared jointly with the board pursuant to section 115A.411."

Page 10, after line 24, insert:

"Sec. 11. [115A.541] [PLAN; GRANT REQUIREMENT.]

The board shall only approve a plan under section 115A.46 or make a grant for a recycling facility under section 115A.54, subdivision 2a, if it finds that the applicant demonstrates a commitment to recycle materials separated by generators to the extent such a program is cost effective in meeting recycling goals."

Page 10, line 36, delete "12" and insert "13"

Page 11, delete lines 19 to 31 and insert:

"Subdivision 1. [LOANS AND GRANTS.] The board may make loans to waste tire processing businesses for the capital costs of land, buildings, equipment, and other capital improvements needed for the construction or betterment of waste tire processing facilities, and for the capital cost of equipment needed to transport waste tires to a waste tire processing facility. The board may also make loans to businesses that use waste tire derived products in manufacturing processes, for the capital costs of land, buildings, and equipment used in the manufacturing process.

The board may make grants for studies necessary to demonstrate the technical and economic feasibility of a proposed waste tire processing project, or of a proposed use for waste tire derived products in a manufacturing process. A grant may not exceed \$30,000 and may not exceed 75 percent of the costs of a study."

Page 12, after line 14, insert:

"Sec. 14. Minnesota Statutes 1986, section 115A.914, is amended to read:

115A.914 [RULES ADMINISTRATION; COUNTY PLANNING; AND ORDINANCES.]

Subdivision 1. [REGULATORY AND ENFORCEMENT POWERS.] For purposes of implementing and enforcing the waste tire abatement and permitting programs in sections 115A.90 to 115A.914, the board may exercise the regulatory and enforcement powers of the agency under chapters 115 and 116.

Subd. 2. [AGENCY BOARD RULES.] The agency board shall adopt rules for administration of waste tire collector and processor permits, waste tire nuisance abatement, and waste tire collection.

Until December 31, 1985, the agency may adopt emergency rules for these purposes.

Subd. 2. 3. [COUNTY PLANNING; ORDINANCES.] Counties shall include collection and processing of waste tires in the solid waste management plan prepared under sections 115A.42 to 115A.46 and shall adopt ordinances under sections 400.16 and 473.811 for management of waste tires that embody, but may be more restrictive than, agency board rules."

Page 16, line 51, delete "11" and insert "12"

Page 18, line 6, delete "11" and insert "12"

Page 18, line 9, delete "14" and insert "16"

Page 18, line 20, delete "17" and insert "19"

Page 18, line 21, delete "17" and insert "19"

Page 18, delete line 33 and insert:

"Sections 12, 13, 19, 23, 24, and 26 are effective the day"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, after "115A.912;" insert "115A.914;"

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

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2146, A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136A.02, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, and ~~three~~ two citizen members and one student member also to be appointed by the governor with the advice and consent of the senate to represent the state at large. ~~The chair of the student advisory council shall serve as a nonvoting member of the board.~~ The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment or within one year prior to appointment. The student advisory council may recommend candidates to the governor for the student member position. All appointees to the board shall be selected for their knowledge of and interest in post secondary education and at least one shall be selected specifically for knowledge of and interest in vocational education. A ~~voting~~ nonstudent member of the board must not be an employee of or receive compensation from a public or private post-secondary institution while serving on the board.

Sec. 2. Minnesota Statutes 1986, section 136A.02, subdivision 1a, is amended to read:

Subd. 1a. The term of each voting board member shall be six years, except that the student member's term shall be two years. As nearly as possible, one-sixth of the terms of the voting board members shall expire each year. The compensation, removal of voting members, and filling of vacancies among voting members on the board shall be as provided in section 15.0575, subdivisions 3, 4, and 5.

Sec. 3. Minnesota Statutes 1986, section 136A.02, subdivision 7, is amended to read:

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board,

(2) make recommendations to the board as the council deems appropriate,

(3) review and comment upon proposals and other matters before the board,

(4) provide any reasonable assistance to the board, and

(5) select one of its members to serve as chair and as a nonvoting member of the board. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee.

Sec. 4. [FIRST STUDENT MEMBER.]

The first student member of the board shall be appointed by the governor by July 1, 1988. This appointment shall not displace an incumbent at-large board member, but instead shall constitute a 12th board member until a vacancy occurs in which the incumbent does not reapply or is not reappointed. When that vacancy occurs, the student member shall assume that at-large position.

Delete the title and insert:

"A bill for an act relating to education; appointing a voting student member to the higher education coordinating board; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7."

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 724, A bill for an act relating to horse racing; modifying the purse structure; providing for the representation of horsepersons

contracting with a licensee; modifying taxes; amending Minnesota Statutes 1986, sections 240.13, subdivision 5; 240.15, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 240.01, is amended by adding a subdivision to read:

Subd. 12. [AVERAGE DAILY HANDLE.] "Average daily handle" means the total amount bet in all pari-mutuel pools at a licensed racetrack during the racing meeting divided by the number of days that horse racing was conducted at the racetrack during the racing meeting.

Sec. 2. Minnesota Statutes 1986, section 240.13, subdivision 4, is amended to read:

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to not more than 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to not more than 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of 20 cents, with a minimum payoff of \$2.20 on a \$2 ticket, except that the licensee may reduce the minimum payoff to \$2.10 on a \$2 ticket if there is not a sufficient amount in a pool to make a minimum payoff of \$2.20.

Sec. 3. Minnesota Statutes 1987 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, an amount equal to not less than five percent the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) For a licensee conducting a racing meeting with an average daily handle of \$500,000 or less, four percent of the average daily handle times the number of racing days in that meeting.

(2) For a licensee conducting a racing meeting with an average daily handle of more than \$500,000 but not more than \$750,000, six percent of the average daily handle times the number of racing days in that meeting.

(3) For a licensee conducting a racing meeting with an average daily handle of more than \$750,000, eight percent of the first \$1,000,000 in average daily handle times the number of racing days in that meeting.

The commission may by rule provide for the administration and enforcement of this subdivision.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

Sec. 4. Minnesota Statutes 1986, 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 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, $1\frac{3}{4}$ percent of the total amount bet in all pari-mutuel pools.

(2) For each racing day in a calendar year 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, six percent of the total amount bet in all pari-mutuel pools rate of six percent of the total amount withheld from all pari-mutuel pools.

by the licensee, including breakage and amounts withheld under section 240.13, subdivision 4.

In addition to the above tax, the licensee must designate and pay to the commission a tax of one percent of the total amount bet on each racing day, 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 $1\frac{3}{4}$ 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.

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 on each paid admission at any a licensed racetrack on a racing day 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. 5. Minnesota Statutes 1986, section 240.15, subdivision 2, is amended to read:

Subd. 2. [PAYMENT.] The licensee must remit the tax to the commission or its representative within seven days of the day on which it was collected. In addition to the tax and at that time the licensee must pay to the commission or its representative a sum equal to one-half the total breakage for each racing day during the period for which the tax is paid. The payments must be accompanied by a detailed statement of the remittance on a form the commission prescribes. The commission may by rule provide for the direct deposit of required payments in the commission's account in a financial institution within the state and for determining the time of applicability of different tax rates under subdivision 1.

Sec. 6. Minnesota Statutes 1986, section 240.15, subdivision 3, is amended to read:

Subd. 3. [TAX EXCLUSIVE.] The tax imposed by subdivision 1 is in lieu of any tax or license fee, other than taxes on real property, imposed by a political subdivision and in lieu of any other sales or excise tax imposed by the state on racetrack admissions or pari-mutuel pools or pari-mutuel ticket sales.

Sec. 7. Minnesota Statutes 1986, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18. Revenue from an additional admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 240.15, subdivision 5, is repealed.

Sec. 9. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to horse racing; providing for taxation of pari-mutuel pools; providing for minimum amounts set aside for purses; authorizing agreements to withhold horses; providing that statutory takeout rates are maximum rates; repealing the state racetrack admissions tax and extending the sales tax to racetrack admissions; repealing the separate tax on breakage; providing for payments to the Minnesota breeders fund; repealing the requirement that the value of unclaimed tickets reverts to the state; amending Minnesota Statutes 1986, sections 240.01, by adding a subdivision; 240A.13, subdivision 4; and 240.15, subdivisions 1, 2, 3, and 6; Minnesota Statutes 1987 Supplement, section 240A.13, subdivision 5; repealing Minnesota Statutes 1986, section 240A.15, 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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 718, 1761, 1805, 1817, 1858, 1940, 1979 and 2020 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1575 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

McLaughlin introduced:

H. F. No. 2183, A bill for an act relating to human services; appropriating money for administering service delivery improvement pilot projects.

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

Quinn, Begich and Johnson, A., introduced:

H. F. No. 2184, A bill for an act relating to public safety; creating division of elevator inspection in the department of labor and industry; providing for duties, powers, and fees; providing for annual, statewide, certified inspections of elevators by qualified inspectors; allowing municipalities with qualified elevator inspection programs to be exempt from state inspection; prescribing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Sparby; Carlson, D.; Battaglia and Tunheim introduced:

H. F. No. 2185, A bill for an act relating to game and fish; adjusting the height of deer stands; amending Minnesota Statutes 1986, section 97B.325.

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

Rice, Morrison, Carruthers and Rukavina introduced:

H. F. No. 2186, A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

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

O'Connor introduced:

H. F. No. 2187, A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

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

Ogren, Greenfield, Vanasek, Wynia and Anderson, R., introduced:

H. F. No. 2188, A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

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

Winter and Olson, K., introduced:

H. F. No. 2189, A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

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

Winter and Olson, K., introduced:

H. F. No. 2190, A bill for an act relating to the city of Westbrook; permitting the city to expend city funds for a private hospital.

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

Jensen, Rose and Ogren introduced:

H. F. No. 2191, A bill for an act relating to drainage; changing certain requirements for repair and abandonment of systems; amending Minnesota Statutes 1986, sections 106A.715, subdivision 1; 106A.745; and Minnesota Statutes 1987 Supplement, section 106A.811, subdivision 5.

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

Jensen, Kalis and Reding introduced:

H. F. No. 2192, A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

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

Jefferson, Bishop, Solberg, Kelly and Clark introduced:

H. F. No. 2193, A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons follow-

ing a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, section 152.21, subdivision 6; 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

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

Brown, Scheid, Valento, McKasy and Osthoff introduced:

H. F. No. 2194, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

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

Welle, Cooper, Rodosovich, Gruenes and Anderson, G., introduced:

H. F. No. 2195, A bill for an act relating to human services; changing methods of determining rates for nursing homes participating in the medical assistance program; allowing nursing homes to choose to have the commissioner apply rate limits based on the limits of other geographic groups; amending Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 2b.

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

Blatz introduced:

H. F. No. 2196, A bill for an act relating to political subdivisions;

clarifying tort liability for certain actions; amending Minnesota Statutes 1986, section 466.03, subdivision 5.

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

Rose, Pappas, Wynia, Begich and McKasy introduced:

H. F. No. 2197, A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.951, subdivision 1.

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

Carruthers; Pauly; Carlson, L.; Ozment and Scheid introduced:

H. F. No. 2198, A bill for an act relating to human services; allowing higher local standards for certain residential programs for persons with mental illness; amending Minnesota Statutes 1987 Supplement, section 245A.095, by adding a subdivision.

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

Carruthers; Pauly; Carlson, L.; Ozment and Scheid introduced:

H. F. No. 2199, A bill for an act relating to human services; allowing health and safety conditions to be imposed upon certain residential programs for persons with mental illness; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 3.

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

Rodosovich introduced:

H. F. No. 2200, A bill for an act relating to highway traffic regulations; providing that the attorney who prosecutes DWI misdemeanor violations also must prosecute aggravated DWI while driving after revocation violations; amending Minnesota Statutes 1986, section 169.129.

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

Scheid, Bertram, McKasy, Boo and Voss introduced:

H. F. No. 2201, A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.22, subdivision 2; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivision 6; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.

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

Quinn and Vanasek introduced:

H. F. No. 2202, 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 1986, section 297A.256.

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

Quinn; Nelson, D., and Larsen introduced:

H. F. No. 2203, A bill for an act relating to education; allowing school districts to designate a volunteer staff person in each secondary school as a referral counselor for students; excluding referral

counselors from certain duties and liabilities; 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.

Swenson, Wagenius, Carruthers, Tjornhom and Kelly introduced:

H. F. No. 2204, A bill for an act relating to obscenity; providing civil and equitable remedies against owners of businesses in which obscene materials or performances are sold or exhibited; proposing coding for new law in Minnesota Statutes, chapter 617.

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

Carruthers, Vellenga, Kelly and Seaberg introduced:

H. F. No. 2205, A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Carruthers, Vellenga, Kelly and Seaberg introduced:

H. F. No. 2206, A bill for an act relating to crimes; expanding aggravated robbery and burglary in the first degree to include crimes committed with an article that appears to be a dangerous weapon; creating a felony offense of terrorizing with a replica firearm; amending Minnesota Statutes 1986, sections 609.245; 609.582; and 609.713, by adding a subdivision.

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

Gruenes and Welle introduced:

H. F. No. 2207, A bill for an act relating to human services; excluding nursing home pension contributions from operating cost limits; amending Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 2b.

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

Clark, Greenfield and Jefferson introduced:

H. F. No. 2208, A bill for an act relating to human services; requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale; amending Minnesota Statutes 1987 Supplement, section 256B.091, subdivision 4.

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

Steensma; Lieder; Kalis; Carlson, D., and Peterson introduced:

H. F. No. 2209, A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

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

Rukavina introduced:

H. F. No. 2210, A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

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

Solberg introduced:

H. F. No. 2211, A bill for an act relating to retirement; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; proposing coding for new law in Minnesota Statutes, chapter 355.

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

Simoneau and Begich introduced:

H. F. No. 2212, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

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

Kelso introduced:

H. F. No. 2213, A bill for an act relating to taxation; providing for adjustment of computation of the homestead credit replacement aid to compensate for levy errors by auditors; amending Minnesota Statutes 1987 Supplement, section 273.1394, subdivision 2.

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

Rodosovich introduced:

H. F. No. 2214, A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

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

Anderson, G.; Schafer and McEachern introduced:

H. F. No. 2215, A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

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

Battaglia; Munger; Anderson, G.; Vanasek and Schreiber introduced:

H. F. No. 2216, A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

McKasy introduced:

H. F. No. 2217, A bill for an act relating to financial institutions; authorizing certain banks to offer services on behalf of other banks; amending Minnesota Statutes 1986, section 48.34.

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

Johnson, A.; O'Connor; Lieder; Kalis and Nelson, C., introduced:

H. F. No. 2218, A bill for an act relating to workers' compensation; requiring all employers to purchase workers' compensation insurance from the state insurance fund; amending Minnesota Statutes 1986, section 176A.03, subdivision 2; Minnesota Statutes 1987 Supplement, section 176A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176A.

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

Voss, by request, introduced:

H. F. No. 2219, A bill for an act relating to state finance; changing provisions providing for a contingent tax increase; requiring or allowing certain retailers to register for a permit and collect and remit the use tax; reducing the tax on pari-mutuel betting and requiring an increase in purses; clarifying the sales tax exemption for the University of Minnesota hospital; taxing foreign income for purposes of the corporate franchise tax; changing corporate franchise tax definitions; allowing franchise tax deductions for deemed dividends from a foreign operating corporation and for foreign payments; updating income and corporate franchise tax provisions to the Internal Revenue Code; providing a separate income tax rate schedule for married individuals filing separate returns and estates and trusts; increasing the income tax credit for elderly and disabled persons; amending Minnesota Statutes 1986, sections 240.15, subdivisions 1 and 2; 240.18; 290.01, by adding subdivisions; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 297A.01, subdivision 10; 297A.15, subdivision 1; 297A.16; 297A.17; and 297A.21; Minnesota Statutes 1987 Supplement, sections 16A.1541; 240.13, subdivision 5; 290.01, subdivisions 4, 5, 19, and 20; 290.06, subdivisions 2c and 20; 290.095, subdivision 3; 290.17, subdivision 4; 290.191, subdivision 5; 290.21, subdivision 4; 290.934, subdivision 2; 290A.03, subdivision 15; and 297A.25, subdivision 11; Laws 1987, chapter 268, article 18, section 5; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1986, sections 290.07, subdivisions 1, 2, 3, 6, and 7; 290.11; 290.12, as amended; 290.131, as amended;

290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; and 297A.15, subdivision 2; Minnesota Statutes 1987 Supplement, sections 290.14; and 290.21, subdivision 8.

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

Riveness; Simoneau; Rest; Anderson, R., and Lasley introduced:

H. F. No. 2220, A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

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

Johnson, A., and Pappas introduced:

H. F. No. 2221, A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

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

Johnson, A., and Rodosovich introduced:

H. F. No. 2222, A bill for an act relating to human services; providing exceptions to the moratorium on beds in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, sections 252.291, subdivisions 1 and 2; and 256B.092, subdivisions 5 and 7; Minnesota Statutes 1987 Supplement, sections 252.291, subdivision 3; and 256B.501, subdivision 1.

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

Rest introduced:

H. F. No. 2223, A bill for an act relating to marriage dissolution; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, section 518.54, by adding a subdivision; amending Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; and 518.581, subdivision 4.

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

Jefferson introduced:

H. F. No. 2224, A bill for an act relating to landlord tenant law; providing an action for damages for accepting rent on condemned property; proposing coding for new law in Minnesota Statutes, chapter 504.

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

Vellenga, Ogren, Greenfield, Onnen and Wynia introduced:

H. F. No. 2225, A bill for an act relating to occupations and professions; creating the state board of examiners for speech-language pathology and audiology and providing for its powers and duties; providing for the licensure and regulation of speech-language pathologists, and audiologists; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 153B.

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

Jefferson, Skoglund and Kelly introduced:

H. F. No. 2226, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions and limiting the use thereof; providing penalties and individual remedies; 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.

Trimble, Reding, Price, Kahn and Carlson, D.; introduced:

H. F. No. 2227, A bill for an act relating to the environment; requiring notice of the release of genetically engineered organisms; creating a task force to study certain issues relating to genetic engineering; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Kelly introduced:

H. F. No. 2228, A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

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

Orenstein and Pappas introduced:

H. F. No. 2229, A bill for an act relating to human services; allowing the licensure and certification of up to 40 nursing home beds transferred from one facility to a unit on the same campus for the care of persons with Alzheimer's disease; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

Kelly and Skoglund introduced:

H. F. No. 2230, A bill for an act relating to insurance; insurance adjusters; permitting homeowners to cancel contracts with a public adjuster under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 72B.

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

O'Connor introduced:

H. F. No. 2231, A bill for an act relating to crimes; gambling; authorizing persons to conduct gambling under certain circumstances; amending Minnesota Statutes 1986, sections 340A.410, subdivision 5; 349.31, by adding a subdivision; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Jacobs, Redalen, Minne, Stanius and Beard introduced:

H. F. No. 2232, A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

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

Ogren introduced:

H. F. No. 2233, A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

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

Nelson, K., introduced:

H. F. No. 2234, A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

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

Nelson, D., introduced:

H. F. No. 2235, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Rukavina, Begich, Minne, Battaglia and Solberg introduced:

H. F. No. 2236, A bill for an act relating to taxation; property tax; limiting property tax paid by certain retired persons on certain seasonal, recreational, nonhomestead property; providing for state reimbursement for lost local tax revenue; appropriating money; 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.

Greenfield, Forsythe and Segal introduced:

H. F. No. 2237, A bill for an act relating to the judiciary; witnesses; preventing a court from compelling a social worker to disclose information received while engaging in the practice of social work; amending Minnesota Statutes 1987 Supplement, section 595.02, subdivision 1.

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

Carlson, D.; Welle; Segal and Vellenga introduced:

H. F. No. 2238, A bill for an act relating to agriculture; regulating veterinary drug distribution; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 156.

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

Carlson, D., introduced:

H. F. No. 2239, A bill for an act relating to workers' compensation;

providing coverage for preventive rabies treatment; amending Minnesota Statutes 1987 Supplement, section 176.135, subdivision 1.

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

Welle, Brown, Kelly, McKasy and Kalis introduced:

H. F. No. 2240, A bill for an act relating to health; permitting various public hospitals to hold closed meetings on certain facility business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 144.581, by adding a subdivision.

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

Pappas, Trimble, Solberg and Marsh introduced:

H. F. No. 2241, A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

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

Trimble and Swenson introduced:

H. F. No. 2242, A bill for an act relating to health; creating an exception to the nursing home moratorium to allow beds to be moved from a separate nursing home to a building formerly used as a hospital; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

Trimble, Clark and Battaglia introduced:

H. F. No. 2243, A bill for an act relating to employment; mandating a study on the effects of video display terminals; mandating a study on mandatory overtime.

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

Carruthers, Osthoff, Voss, Blatz and Kelly introduced:

H. F. No. 2244, A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, section 473.249, subdivision 1.

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

Nelson, K.; McEachern; Vellenga; Ozment and Bauerly introduced:

H. F. No. 2245, A bill for an act relating to education; establishing the amount of the formula allowance for general education revenue for fiscal year 1990; amending Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2.

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

Clark, Otis, Dawkins and Frerichs introduced:

H. F. No. 2246, A bill for an act relating to economic development; including labor organizations and community groups in the organizations that are eligible for assistance from various entities; amending Minnesota Statutes 1987 Supplement, sections 1160.06, subdivision 1; and 1160.08, subdivision 2.

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

Jefferson introduced:

H. F. No. 2247, A bill for an act relating to landlord tenant law; providing for application of the deceptive trade practices act to residential rental agreements; requiring the landlord to post security when defending an action for return of a deposit; requiring notice to tenants of the security deposit return law; requiring registration of residential rental units; amending Minnesota Statutes 1986, sections 325F.69, subdivision 1; 504.20, subdivision 7b; 504.22, subdivision 2; and 566.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 504.

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

Trimble; Rukavina; Carlson, D.; Munger and Cooper introduced:

H. F. No. 2248, A bill for an act relating to the environment; prohibiting government units and takeout food vendors from purchasing and using chlorofluorocarbon-processed food packaging materials; providing a penalty; 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.

Otis introduced:

H. F. No. 2249, A bill for an act relating to economic development; establishing a celebrate Minnesota 1990 program; establishing a Minnesota marketplace program; authorizing certain fund transfers; appropriating money.

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

Jefferson and DeBlieck introduced:

H. F. No. 2250, A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.15, subdivisions 2 and 11; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

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

Trimble; Johnson, A.; Beard and Murphy introduced:

H. F. No. 2251, A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1986, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

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

Carruthers introduced:

H. F. No. 2252, A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

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

Simoneau and Heap introduced:

H. F. No. 2253, A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

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

Quinn and Jacobs introduced:

H. F. No. 2254, A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

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

Quinn and Kostohryz introduced:

H. F. No. 2255, A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

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

Quinn, Dorn, Pelowski and Johnson, R., introduced:

H. F. No. 2256, A bill for an act relating to education; requiring colleges to provide a reasonable opportunity to graduate within four years; providing remedies for failure to do so; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Cooper, Welle, Kelly, Brown and Olson, K., introduced:

H. F. No. 2257, A bill for an act relating to occupations and professions; establishing the board of professional counseling; requiring professional counselors to be licensed; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 148A.01, subdivision 5; 148B.01, subdivision 6, and by adding a subdivision; 148B.02, subdivision 1; 148B.40, subdivision 3; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 148B.

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

Rukavina, Ogren and Minne introduced:

H. F. No. 2258, A bill for an act relating to insurance; requiring an employer, group, or organization to offer an alternative dental benefit plan option and contribute towards its cost under certain circumstances; 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.

Anderson, R.; Greenfield; Ogren and Knickerbocker introduced:

H. F. No. 2259, A bill for an act relating to human services; regarding eligibility for medical assistance; increasing assets of noninstitutionalized spouse; amending Minnesota Statutes 1986, sections 256B.14, subdivision 2; and 256B.17, subdivision 7.

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

Sviggum introduced:

H. F. No. 2260, A bill for an act relating to education; raising the age for compulsory school attendance to 17; making conforming changes; amending Minnesota Statutes 1986, sections 123.35, subdivision 8; and 260.015, subdivision 19; Minnesota Statutes 1987 Supplement, sections 120.101, subdivisions 5 and 9; and 124.26, subdivision 1b.

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

Tjornhom, Clausnitzer, Stanius, Seaberg and Quist introduced:

H. F. No. 2261, A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

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

Milbert, Scheid, Voss, Schreiber and Osthoff introduced:

H. F. No. 2262, A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to school districts; amending Minnesota Statutes 1987 Supplement, section 469.177, by adding a subdivision.

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

Bauerly, Gruenes, McEachern and Pelowski introduced:

H. F. No. 2263, A bill for an act relating to libraries; excluding library services levies from certain levy limitations; requiring recommendations about regional public library districts; amending Minnesota Statutes 1986, section 134.34, by adding a subdivision.

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

Pelowski, Gruenes and McEachern introduced:

H. F. No. 2264, A bill for an act relating to libraries; appropriating money for automated resource sharing.

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

Reding, Munger, Battaglia and Rose introduced:

H. F. No. 2265, A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

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

Seaberg introduced:

H. F. No. 2266, A bill for an act relating to courts; permitting parties in civil actions to electronically record the proceedings; amending Minnesota Statutes 1986, section 484.72, by adding a subdivision.

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

McPherson introduced:

H. F. No. 2267, A bill for an act relating to environmental protection; prohibiting the location of mixed municipal solid waste disposal facilities in metropolitan regional parks; amending Minnesota Statutes 1986, section 473.803, subdivision 1a.

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

Morrison, Jacobs, Redalen, Jennings and Battaglia introduced:

H. F. No. 2268, A bill for an act relating to natural gas; repealing the prohibition on the use of natural gas outdoor lighting; repealing Minnesota Statutes 1986, section 116J.19, subdivisions 6 and 7.

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

Carruthers, Ogren, Clausnitzer, Kelso and Rodosovich introduced:

H. F. No. 2269, A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, sections 62A.15, subdivisions 1, 2, and 4; 148.08, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1.

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

Lasley, Peterson and Jennings introduced:

H. F. No. 2270, A bill for an act relating to natural resources;

authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

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

Rodosovich and Simoneau introduced:

H. F. No. 2271, A bill for an act relating to health; regulating the sale of hearing aids; regulating persons who dispense hearing aids; appropriating money; prescribing penalties; amending Minnesota Statutes 1986, section 145.43, subdivision 1; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 153A; repealing Minnesota Statutes 1986, sections 153A.01 to 153A.12.

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

Solberg; Neuenschwander; Carlson, D.; Johnson, R., and Kinkel introduced:

H. F. No. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

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

Cooper; Sparby; Brown; Anderson, R., and Kalis introduced:

H. F. No. 2273, A bill for an act relating to advertising devices; permitting directional signs for rural commercial businesses; amending Minnesota Statutes 1986, sections 173.02, by adding a subdivision; and 173.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 173.

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

Jefferson, Greenfield, Dawkins, Trimble and Onnen introduced:

H. F. No. 2274, A bill for an act relating to human services; establishing minimum maintenance and difficulty of care rates for adults in foster care; amending Minnesota Statutes 1987 Supplement, section 256D.37, subdivision 1.

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

Jefferson; Greenfield; Johnson, A.; Dawkins and Onnen introduced:

H. F. No. 2275, A bill for an act relating to health; extending foster care insurance to providers of adult foster care; appropriating money; amending Minnesota Statutes 1986, section 245.814, subdivisions 1, 2, and 3.

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

Olsen, S.; Solberg; Carlson, L.; Battaglia and Knickerbocker introduced:

H. F. No. 2276, A bill for an act relating to education; restoring state aid payments for teacher retirement; appropriating money; amending Laws 1987, chapter 398, article 1, section 27, subdivision 3.

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

Voss, Simoneau and Anderson, G., introduced:

H. F. No. 2277, A bill for an act relating to civil actions; providing a sliding fee scale for contingent legal fees; proposing coding for new law in Minnesota Statutes, chapter 481.

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

Riveness, Kelso, Greenfield, Rest and Stanius introduced:

H. F. No. 2278, A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

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

Segal; Olsen, S.; Riveness; Nelson, K., and Forsythe introduced:

H. F. No. 2279, A bill for an act relating to education; deleting levy equity provisions; amending Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 3; repealing Minnesota Statutes 1987 Supplement, section 124A.24.

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

Wenzel; Beard; Dorn; Johnson, V., and Pelowski introduced:

H. F. No. 2280, A bill for an act relating to the military; providing a state bonus for national guard service; providing state tuition assistance for national guard members; restoring the military pay exclusion for national guard pay; appropriating money; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 192.

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

Kinkel, Wenzel, Pelowski, Krueger and DeBlieck introduced:

H. F. No. 2281, A bill for an act relating to the military; providing a state bonus for national guard service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

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

Pelowski, Beard, Marsh, Krueger and Wenzel introduced:

H. F. No. 2282, A bill for an act relating to the military; providing tuition reimbursement to members of the Minnesota national guard; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

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

Wenzel, Winter, Kelso, Blatz and DeBlieck introduced:

H. F. No. 2283, A bill for an act relating to the military; restoring the military pay exclusion for national guard pay; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Winter; Olson, K.; DeBlieck; Redalen and Kalis introduced:

H. F. No. 2284, A bill for an act relating to game and fish; providing an experimental open season for angling two weeks earlier in certain areas south of United States trunk highway No. 12 and in Hennepin, Anoka, Ramsey, and Washington counties; amending Minnesota Statutes 1986, section 97C.395, subdivision 1, and by adding a subdivision.

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

Cooper; Dillé; Brown; Nelson, C., and Otis introduced:

H. F. No. 2285, A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

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

Tunheim introduced:

H. F. No. 2286, A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

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

Rodosovich introduced:

H. F. No. 2287, A bill for an act relating to retirement; public employees retirement association; authorizing a certain retired member of the association, formerly employed by the Rochester

school district, to elect to convert a certain joint and survivor annuity to a single life annuity.

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

Rukavina introduced:

H. F. No. 2288, A bill for an act relating to taxation; allowing the city of Biwabik to exceed certain property tax levy limits; allowing for a referendum on the issue of exceeding the levy limits.

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

Carruthers, Vellenga, Blatz and Swenson introduced:

H. F. No. 2289, A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime without intent while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59.

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

Vellenga and Blatz introduced:

H. F. No. 2290, A bill for an act relating to child support; clarifying that guidelines apply in public assistance contribution actions; requiring disclosure of information; allowing use of revenue recapture act by any public agency; allowing use of child support remedies for medical support; providing for termination of income withholding; clarifying application of income withholding; amending Minnesota Statutes 1986, section 256.87, subdivisions 1 and 1a; 256.978; 270A.03, subdivision 4; 518.171, by adding a subdivision; and 518.611, subdivision 10; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

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

Lasley; Larsen; Johnson, R.; Rukavina and Dille introduced:

H. F. No. 2291, A bill for an act relating to state agencies;

amending, enacting and repealing certain laws administered by the department of administration; appropriating money; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapters 365, section 24; and 404, section 16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

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

Knuth introduced:

H. F. No. 2292, A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 174.031, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

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

Voss, Minne, Bishop and Blatz introduced:

H. F. No. 2293, A bill for an act relating to taxation; imposing membership requirements on private golf clubs qualifying for taxation under the open space property tax law; amending Minnesota Statutes 1986, section 273.112, subdivisions 3 and 6.

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

Olsen, S.; Forsythe; Swenson; Schafer and Hartle introduced:

H. F. No. 2294, A bill for an act relating to education; restoring certain categorical programs; creating reimbursement aid for special academic programs; increasing interdistrict cooperation aid; increasing summer program aid; appropriating money; amending Minnesota Statutes 1986, sections 124.247, by adding a subdivision; 124.272, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, section 124.246, subdivision 2; Laws 1987, chapter 398, article 1, section 27, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1986, section 124.272, subdivision 5; Minnesota Statutes 1987 Supplement, section 124A.27.

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

Trimble; Olson, K.; Dille; Wenzel and Steensma introduced:

H. F. No. 2295, A bill for an act relating to agriculture; requiring a study of the University of Minnesota's agricultural extension service and department of agriculture and applied economics; appropriating money.

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

Sviggum, Kelly and Uphus introduced:

H. F. No. 2296, A bill for an act relating to crimes; making it a crime for a person in custody for an alleged act of delinquency or on a juvenile adjudication of delinquency to escape; amending Minnesota Statutes 1986, section 609.485, subdivisions 2 and 4.

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

Winter, McDonald, Dauner and Olson, K., introduced:

H. F. No. 2297, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

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

Trimble, Sarna, O'Connor, McDonald and Ogren introduced:

H. F. No. 2298, A bill for an act relating to agriculture; prohibiting the sale of irradiated foods; 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.

Reding introduced:

H. F. No. 2299, A bill for an act relating to economic development; appropriating certain investment earnings to the Minnesota agricultural and economic development board; providing for the organization of the department of trade and economic development; amending Minnesota Statutes 1987 Supplement, sections 41A.05, subdivision 1; and 116J.01, subdivision 3.

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

Tjornhom, Morrison, Hugoson, Stanius and Olsen, S., introduced:

H. F. No. 2300, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Onnen, McEachern and Bertram introduced:

H. F. No. 2301, A bill for an act relating to health; excepting certain beds from the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

Orenstein, Kinkel, Milbert, Kelso and DeBlieck introduced:

H. F. No. 2302, A bill for an act relating to taxation; sales; exempting nonprescription drugs and health products; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

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

Reding introduced:

H. F. No. 2303, A bill for an act relating to retirement; Minneapolis employees retirement fund; adding state representatives to the retirement board of the fund; transferring administration of the fund from the retirement board to the public employees retirement association effective June 30, 1990; amending Minnesota Statutes 1986, sections 422A.02; and 422A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 422A; repealing Minnesota Statutes 1986, sections 422A.01, subdivision 13; 422A.02; 422A.03; 422A.04, subdivisions 1 and 4; 422A.05; and 422A.06, subdivisions 1, 3, 4, and 6; Minnesota Statutes 1987 Supplement, sections 422A.04, subdivisions 2 and 3; and 422A.06, subdivisions 2, 5, 7, and 8.

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

Haukoos, McPherson, Frerichs, McDonald and Dempsey introduced:

H. F. No. 2304, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Laws 1987, chapter 268, article 1, section 13.

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

Olsen, S.; Heap; Tjornhom; Valento and Rose introduced:

H. F. No. 2305, A bill for an act relating to education; making changes in the training and experience revenue and the minimum allowance aid formulas; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 4; and 124A.25, subdivision 2.

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

Long, Munger, Schreiber, Rest and Voss introduced:

H. F. No. 2306, A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

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

Nelson, D., introduced:

H. F. No. 2307, A bill for an act relating to health; establishing a safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

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

Quinn, Skoglund and Ogren introduced:

H. F. No. 2308, A bill for an act relating to insurance; establishing the insurance consumers board; giving the board authority to collect and disseminate information; establishing a surcharge on insurance contracts; appropriating money collected by the surcharge to the board; 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.

Sparby; McDonald; Cooper; Anderson, G., and Frederick introduced:

H. F. No. 2309, A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricul-

tural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Carruthers, Milbert and McKasy introduced:

H. F. No. 2310, A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

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

Nelson, D., introduced:

H. F. No. 2311, A bill for an act relating to water resources; recodifying and clarifying water law; amending Minnesota Statutes 1986, sections 84.083, by adding subdivisions; 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A and 106A; proposing coding for new law as Minnesota Statutes, chapters 105A; 105B; 105C; and 105D; repealing Minnesota Statutes 1986, sections 84.031; 84.032; 84.158; 110.13 to 110.53; 110B.01; 110B.04; 110B.08; 110B.10; 110B.12; 110B.15; 110B.20; 110B.22; 110B.25; 110B.28; 110B.30; 111.65 to 111.82; 114.12; 114.13; 114B.01 to 114B.07; 116C.41; 378.01; 378.02; 378.03; 378.04; 378.05; 378.06; 378.08; 378.09; 378.20; 378.21; 378.31; 378.32; 378.321; 378.33; 378.34; 378.35; 378.401; 378.405; 378.41; 378.42; 378.44; 378.45; 378.455; 378.46; 378.47; 378.51; 378.52; 378.53; 378.54; 378.545; 378.55; 378.56; 465.18; 465.26; 473.876, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9; 473.877, subdivisions 1 and 3; 473.8771, subdivision 3; 473.878, subdivisions 1, 1a, 2, 3a, and 4; 473.879; 473.881; 473.882; and 473.883; Minnesota Statutes 1987 Supplement, sections 105.37 to 105.81; 110B.02; 110B.35; 378.22; 378.43; 473.875; 473.876, subdivisions 1a, 2a, and 2b; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; 473.878, subdivisions 3, 5, 6, 7, 8, and 9; and 473.8785.

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

Ozment introduced:

H. F. No. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

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

Clark introduced:

H. F. No. 2313, A bill for an act relating to domestic abuse; requiring recording of all domestic abuse protection hearings; amending Minnesota Statutes 1986, section 518B.01, by adding a subdivision.

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

O'Connor introduced:

H. F. No. 2314, A bill for an act relating to the city of St. Paul; establishing a program setting aside a portion of services and materials for small businesses.

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

Kostohryz, Knuth, Stanius and Anderson, R., introduced:

H. F. No. 2315, A bill for an act relating to education; reenacting the capital expenditure levy for leased buildings; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

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

Long introduced:

H. F. No. 2316, A bill for an act relating to health; requiring certification of certain environmental laboratories; establishing an environmental laboratory certification account in the state treasury; 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 Environment and Natural Resources.

Begich and Rukavina introduced:

H. F. No. 2317, A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710

bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

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

Gruenes, Ogren, Battaglia, Greenfield and DeRaad introduced:

H. F. No. 2318, A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

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

CONSENT CALENDAR

H. F. No. 1741, A bill for an act relating to consumer protection; prohibiting the resale of liners used in flotation bedding; prescribing penalties; 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 118 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	Nelson, C.	Richter
Anderson, R.	Forsythe	Kludt	Nelson, D.	Riveness
Battaglia	Frederick	Knickerbocker	O'Connor	Rodosovich
Bauerly	Greenfield	Knuth	Olsen, S.	Rose
Beard	Gruenes	Kostohryz	Olson, E.	Rukavina
Begich	Gutknecht	Krueger	Olson, K.	Sarna
Bennett	Hartle	Larsen	Omann	Schafer
Bertram	Heap	Lasley	Onnen	Schreiber
Bishop	Himle	Lieder	Orenstein	Seaberg
Blatz	Hugoson	Long	Osthoff	Segal
Boo	Jacobs	Marsh	Ozment	Shaver
Burger	Jaros	McDonald	Pauly	Simoneau
Carlson, D.	Jefferson	McKasy	Pelowski	Skoglund
Carlson, L.	Jensen	McLaughlin	Peterson	Solberg
Carruthers	Johnson, A.	McPherson	Poppenhagen	Sparby
Clark	Johnson, R.	Milbert	Price	Stanius
Cooper	Johnson, V.	Miller	Quinn	Steensma
Dauner	Kahn	Minne	Quist	Sviggum
Dawkins	Kalis	Morrison	Redalen	Swenson
DeBlieck	Kelly	Munger	Reding	Thiede
Dille	Kelso	Murphy	Rest	Tompkins

Trimble	Valento	Wagenius	Wenzel	Spk. Vanasek
Tunheim	Vellenga	Waltman	Winter	
Uphus	Voss	Welle	Wynia	

The bill was passed and its title agreed to.

H. F. No. 1816 was reported to the House.

Upon objection of ten members, H. F. No. 1816 was stricken from the Consent Calendar and returned to General Orders.

CALENDAR

H. F. No. 1846, A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

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 84 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Long	Omann	Simoneau
Battaglia	Jefferson	Marsh	Orenstein	Skoglund
Bauerly	Jennings	McKasy	Osthoff	Solberg
Beard	Jensen	McLaughlin	Otis	Steensma
Begich	Johnson, R.	McPherson	Pappas	Swenson
Bertram	Kahn	Milbert	Pelowski	Tompkins
Bishop	Kalis	Minne	Peterson	Trimble
Brown	Kelly	Munger	Price	Tunheim
Carlson, L.	Kelso	Murphy	Quinn	Vellenga
Carruthers	Kinkel	Nelson, C.	Reding	Voss
Cooper	Kludt	Nelson, D.	Rice	Wagenius
Dauner	Knuth	Neuenschwander	Rodosovich	Welle
Dawkins	Kostohryz	O'Connor	Rukavina	Wenzel
DeBlick	Krueger	Ogren	Sarna	Winter
Dorn	Larsen	Olsen, S.	Scheid	Wynia
Greenfield	Lasley	Olson, E.	Seaberg	Spk. Vanasek
Jacobs	Lieder	Olson, K.	Segal	

Those who voted in the negative were:

Anderson, R.	Frederick	Johnson, V.	Poppenhagen	Shaver
Bennett	Gruenes	Knickerbocker	Quist	Sparby
Boo	Gutknecht	McDonald	Redalen	Stanius
Burger	Hartle	Miller	Richter	Sviggum
Clausnitzer	Haukoos	Onnen	Rose	Thiede
Dempsey	Himle	Ozment	Schafer	Tjornhom
Dille	Hugoson	Pauly	Schreiber	Uphus
				Valento
				Waltman

The bill was passed and its title agreed to.

H. F. No. 1853, A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

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.	Greenfield	Larsen	Osthoff	Simoneau
Anderson, R.	Gruenes	Lasley	Otis	Skoglund
Battaglia	Gutknecht	Lieder	Ozment	Solberg
Bauerly	Hartle	Long	Pappas	Sparby
Beard	Haukoos	Marsh	Pauly	Stamius
Begich	Heap	McDonald	Pelowski	Steensma
Bennett	Himle	McKasy	Peterson	Sviggum
Bertram	Hugoson	McLaughlin	Poppenhagen	Swenson
Bishop	Jacobs	McPherson	Price	Thiede
Blatz	Jaros	Milbert	Quinn	Tjornhom
Boo	Jefferson	Miller	Quist	Tompkins
Brown	Jennings	Minne	Redalen	Trimble
Burger	Jensen	Morrison	Reding	Tunheim
Carlson, D.	Johnson, A.	Munger	Rest	Uphus
Carlson, L.	Johnson, R.	Murphy	Rice	Valento
Carruthers	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Rodosovich	Voss
Cooper	Kalis	Neuenschwander	Rose	Wagenius
Dauner	Kelly	O'Connor	Rukavina	Waltman
Dawkins	Kelso	Ogren	Sarna	Welle
DeBlieck	Kinkel	Olsen, S.	Schafer	Wenzel
Dempsey	Kludt	Olson, E.	Scheid	Winter
Dille	Knickerbocker	Olson, K.	Schreiber	Wynia
Dorn	Knuth	Omann	Seaberg	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1886, A bill for an act relating to crime; increasing penalties for advertising, selling, and renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Greenfield	Larsen	Otis	Skoglund
Battaglia	Gruenes	Lasley	Ozment	Solberg
Bauerly	Gutknecht	Lieder	Pauly	Sparby
Beard	Hartle	Long	Pelowski	Stanius
Begich	Haukoos	Marsh	Peterson	Steensma
Bennett	Heap	McKasy	Poppenhagen	Sviggum
Bertram	Himle	McLaughlin	Price	Swenson
Bishop	Hugoson	McPherson	Quinn	Thiede
Blatz	Jacobs	Milbert	Quist	Tjornhom
Boo	Jaros	Miller	Redalen	Tompkins
Brown	Jefferson	Minne	Reding	Tunheim
Burger	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Rodosovich	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rose	Wagenius
Cooper	Kahn	Neuenschwander	Rukavina	Waltman
Dauner	Kalis	O'Connor	Sarna	Welle
Dawkins	Kelly	Ogren	Schafer	Wenzel
DeBlicek	Kelso	Olsen, S.	Scheid	Winter
Dempsey	Kinkel	Olson, E.	Schreiber	Wynia
Dille	Knickerbocker	Olson, K.	Seaberg	Spk. Vanasek
Dorn	Knuth	Omann	Segal	
Forsythe	Kostohryz	Onnen	Shaver	
Frederick	Krueger	Orenstein	Simoneau	

Those who voted in the negative were:

Anderson, G. Kludt Osthoff

The bill was passed and its title agreed to.

Knuth was excused between the hours of 3:00 p.m. and 3:40 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek 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. 1836, 1850, 1867 and 1816 were recommended to pass.

S. F. No. 537 was recommended to pass.

H. F. Nos. 1705, 1806, 1709 and 1942 were recommended for progress.

H. F. No. 297 was recommended for progress retaining its place on General Orders.

H. F. No. 1790, the first engrossment, which it recommended to pass with the following amendment offered by Bishop and Skoglund:

Page 1, line 16, after "will" insert "or deed to a burial lot or a document containing instructions for the burial"

Page 2, line 19, delete "and deliver it" and insert "and make a true and correct machine copy thereof, replace the copy in the box, and then deliver the original thereof"

Page 2, line 24, after "mail." insert "If the interested person so requests, any deed to burial lot or document containing instructions for the burial of the lessee may be copied by the safe deposit box company and the copy or copies thereof delivered to the interested person."

S. F. No. 1575, which it recommended to pass with the following amendment offered by Anderson, G.:

Page 2, line 29, after "license," delete everything before the period and insert "an issuing fee of 50 cents may be charged at the discretion of the authorized seller"

Carlson, D., offered an amendment to S. F. No. 1575.

POINT OF ORDER

Battaglia raised a point of order pursuant to rule 3.9 that the Carlson, D., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 1851, the first engrossment, which it recommended to pass with the following amendments:

Offered by Bauerly and Jennings:

Page 2, line 5, delete "A town or city may impose a"

Page 2, delete lines 6, 7 and 8

Page 2, line 9, delete "city."

Offered by Swenson:

Page 2; line 23, to page 5, line 13, delete Section 3 from the bill

Renumber the sections in sequence

Amend the title accordingly

POINT OF ORDER

In the Committee of the Whole, Thiede raised a point of order that his demand for the return of H. F. No. 35, pursuant to House Rule 1.16, was not returned to the House, not given a second reading and that the bill was not placed at the bottom of General Orders. The Speaker ruled the point of order not well taken.

On the motion of Wynia the report of the Committee of the Whole was adopted.

MOTIONS AND RESOLUTIONS

Welle moved that his name be stricken as an author on H. F. No. 1228. The motion prevailed.

Jacobs moved that the name of Olsen, S., be added as an author on H. F. No. 1732. The motion prevailed.

Quist moved that the name of Schafer be stricken and the names of Orenstein and Kelly be added as authors on H. F. No. 1774. The motion prevailed.

Trimble moved that the names of Blatz, Ogren, Riveness and Rodosovich be added as authors on H. F. No. 1775. The motion prevailed.

Kahn moved that the name of Johnson, A., be added as chief author and the name of Kahn be shown as second author on H. F. No. 1818. The motion prevailed.

Orenstein moved that the name of Tjornhom be added as an author on H. F. No. 1886. The motion prevailed.

Ogren moved that his name be stricken and the name of DeBlieck be added as chief author on H. F. No. 1887. The motion prevailed.

Bennett moved that the name of Stanius be added as an author on H. F. No. 1953. The motion prevailed.

Vellenga moved that the names of Scheid and Forsythe be added as authors on H. F. No. 1960. The motion prevailed.

Rukavina moved that the name of Johnson, R., be added as an author on H. F. No. 2016. The motion prevailed.

Dille moved that the names of Kalis and Quist be added as authors on H. F. No. 2018. The motion prevailed.

Blatz moved that the name of Vellenga be added as an author on H. F. No. 2021. The motion prevailed.

Lasley moved that the names of Wenzel, Dille and Jennings be added as authors on H. F. No. 2022. The motion prevailed.

Solberg moved that the name of Dawkins be added as an author on H. F. No. 2054. The motion prevailed.

Ogren moved that the name of Rukavina be added as an author on H. F. No. 2082. The motion prevailed.

Wenzel moved that the names of Bertram, Winter, Kinkel and DeBlieck be added as authors on H. F. No. 2090. The motion prevailed.

Ogren moved that the name of Quinn be added as an author on H. F. No. 2116. The motion prevailed.

Vellenga moved that the name of Clark be added as an author on H. F. No. 2118. The motion prevailed.

Vellenga moved that the names of Kahn, Greenfield and Segal be added as authors on H. F. No. 2128. The motion prevailed.

Vellenga moved that the names of Sparby and Stanius be added as authors on H. F. No. 2130. The motion prevailed.

Otis moved that the name of Milbert be added as an author on H. F. No. 2137. The motion prevailed.

Valento moved that the name of Olsen, S., be added as an author on H. F. No. 2163. The motion prevailed.

Price moved that H. F. No. 1912 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Kalis moved that H. F. No. 2030 be recalled from the Committee on Transportation and be re-referred to the Committee on Appropriations. The motion prevailed.

Carruthers moved that H. F. No. 2095 be recalled from the Committee on Judiciary and be re-referred to the Committee on Commerce. The motion prevailed.

Kostohryz moved that H. F. No. 2210 be recalled from the Committee on Local and Urban Affairs and be re-referred to the Committee on General Legislation, Veterans Affairs and Gaming. The motion prevailed.

Ozment moved that H. F. No. 2312 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Quinn, Voss, Knuth and Jacobs introduced:

House Concurrent Resolution No. 12, A House concurrent resolution declaring full support to the endeavors of the United States Soccer Federation to bring the 1994 World Cup to the United States.

The concurrent resolution was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

McKasy and Ozment were excused for the remainder of today's session.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

MOTIONS AND RESOLUTIONS, Continued

Vanasek; Wynia; Anderson, G.; Voss and Nelson, K., introduced:

House Resolution No. 49, A House resolution setting the maximum limit on budget adjustments for the biennium.

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that House Resolution No. 49 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 49

House Resolution No. 49, A House resolution setting the maximum limit on budget adjustments for the biennium.

Be It Resolved by the House of Representatives that the sum of \$301,235,000 is the maximum limit on budget adjustments for the purposes of revenues, expenditures, and transfers from the general fund for the biennium ending June 30, 1989. This limit is adopted under House Rule 5.10.

Be It Further Resolved that the Legislature finds that there should be:

(1) a \$30,000,000 budget adjustment for the purpose of providing tax reductions for Minnesota's elderly citizens and to correct other unintended tax effects;

(2) a \$53,800,000 budget adjustment for the purpose of providing additional property tax relief through the rent credit/circuit breaker program;

(3) a \$71,580,000 budget adjustment for the purpose of transferring an additional 30 percent of motor vehicle excise tax proceeds from the general fund to transportation programs;

(4) a \$54,493,000 budget adjustment for education finance programs;

(5) a \$36,431,000 budget adjustment for post-secondary education programs;

(6) a \$10,875,000 budget adjustment for human resource programs;

(7) a \$10,919,000 budget adjustment for state department agencies;

(8) a \$12,160,000 budget adjustment for debt service;

(9) a \$2,456,000 budget adjustment for agriculture, transportation, and semi-state agencies;

(10) a \$10,000,000 budget adjustment for the purpose of increasing the budget reserve; and

(11) an \$8,521,000 budget adjustment for all other expenditures should be enacted to modify the January 22, 1988 general fund budget forecast by the Governor and the Department of Finance.

Wynia moved that House Resolution No. 49 be now adopted.

A roll call was requested and properly seconded.

Poppenhagen requested a division of House Resolution No. 49.

POINT OF ORDER

Wynia raised a point of order pursuant to section 310 of "Mason's Manual of Legislative Procedure" relating to the division of questions. The Speaker ruled the point of order not well taken.

The first portion of House Resolution No. 49 as divided by Poppenhagen reads as follows:

A House resolution setting the maximum limit on budget adjustments for the biennium.

Be It Resolved by the House of Representatives that the sum of \$301,235,000 is the maximum limit on budget adjustments for the purposes of revenues, expenditures, and transfers from the general fund for the biennium ending June 30, 1989. This limit is adopted under House Rule 5.10.

The question was taken on the first portion of House Resolution No. 49 as divided by Poppenhagen and the roll was called. There were 81 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeBlieck	Kostohryz	Olson, E.	Sarna
Anderson, R.	Dille	Krueger	Olson, K.	Scheid
Battaglia	Dorn	Larsen	Orenstein	Segal
Bauerly	Greenfield	Lasley	Osthoff	Simoneau
Beard	Jacobs	Lieder	Otis	Skoglund
Begich	Jaros	Long	Pappas	Solberg
Bertram	Jefferson	McLaughlin	Pelowski	Sparby
Bishop	Jensen	Milbert	Peterson	Steensma
Brown	Johnson, A.	Minne	Price	Trimble
Carlson, D.	Johnson, R.	Munger	Quinn	Tunheim
Carlson, L.	Kahn	Murphy	Reding	Vellenga
Carruthers	Kalis	Nelson, C.	Rest	Voss
Clark	Kelly	Nelson, D.	Riveness	Welle
Cooper	Kinkel	Neuenschwander	Rodosovich	Wenzel
Dauner	Kludt	O'Connor	Rose	Winter
Dawkins	Knuth	Ogren	Rukavina	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Bennett	Gruenes	Knickerbocker	Poppenhagen	Sviggum
Blatz	Gutknecht	Marsh	Quist	Swenson
Bod	Hartle	McPherson	Redalen	Thiede
Burger	Haukoos	Miller	Richter	Tjornhom
Clausnitzer	Heap	Morrison	Schafer	Uphus
Dempsey	Himle	Olsen, S.	Schreiber	Valento
Forsythe	Hugoson	Omann	Seaberg	Waltman
Frederick	Jennings	Onnen	Shaver	
Frerichs	Johnson, V.	Pauly	Stanius	

The motion prevailed and the first portion of House Resolution No. 49) was adopted.

CALL OF THE HOUSE

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

Anderson, G.	DeBlieck	Johnson, A.	McPherson	Pauly
Anderson, R.	Dempsey	Johnson, R.	Milbert	Pelowski
Battaglia	Dille	Johnson, V.	Miller	Peterson
Bauerly	Dorn	Kahn	Minne	Poppenhagen
Beard	Forsythe	Kalis	Morrison	Price
Begich	Frederick	Kelly	Munger	Quist
Bennett	Frerichs	Kelso	Murphy	Redalen
Bertram	Greenfield	Kinkel	Nelson, C.	Reding
Bishop	Gruenes	Kludt	Nelson, D.	Rest
Blatz	Gutknecht	Knickerbocker	Neuenschwander	Rice
Brown	Hartle	Knuth	O'Connor	Richter
Burger	Haukoos	Kostohryz	Ogren	Riveness
Carlson, D.	Heap	Krueger	Olsen, S.	Rodosovich
Carlson, L.	Himle	Larsen	Olson, E.	Rose
Carruthers	Hugoson	Lasley	Olson, K.	Rukavina
Clark	Jacobs	Lieder	Omann	Sarna
Clausnitzer	Jaros	Long	Onnen	Schafer
Cooper	Jefferson	Marsh	Orenstein	Scheid
Dauner	Jennings	McDonald	Osthoff	Schreiber
Dawkins	Jensen	McLaughlin	Otis	Seaberg

Segal	Stanius	Tompkins	Voss	Wynia
Shaver	Steensma	Trimble	Wagenius	Spk. Vanasek
Simoneau	Sviggum	Tunheim	Waltman	
Skoglund	Swenson	Uphus	Welle	
Solberg	Thiede	Valento	Wenzel	
Sparby	Tjornhom	Vellenga	Winter	

Wynia 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.

O'Connor and Quinn were excused for the remainder of today's session.

The second portion of House Resolution No. 49 as divided by Poppenhagen reads as follows:

Be It Further Resolved that the Legislature finds that there should be:

(1) a \$30,000,000 budget adjustment for the purpose of providing tax reductions for Minnesota's elderly citizens and to correct other unintended tax effects;

(2) a \$53,800,000 budget adjustment for the purpose of providing additional property tax relief through the rent credit/circuit breaker program;

(3) a \$71,580,000 budget adjustment for the purpose of transferring an additional 30 percent of motor vehicle excise tax proceeds from the general fund to transportation programs;

(4) a \$54,493,000 budget adjustment for education finance programs;

(5) a \$36,431,000 budget adjustment for post-secondary education programs;

(6) a \$10,875,000 budget adjustment for human resource programs;

(7) a \$10,919,000 budget adjustment for state department agencies;

(8) a \$12,160,000 budget adjustment for debt service;

(9) a \$2,456,000 budget adjustment for agriculture, transportation, and semi-state agencies;

(10) a \$10,000,000 budget adjustment for the purpose of increasing the budget reserve; and

(11) an \$8,521,000 budget adjustment for all other expenditures should be enacted to modify the January 22, 1988 general fund budget forecast by the Governor and the Department of Finance.

Sviggum, Bennett and McDonald moved to amend the second portion of House Resolution No. 49, as follows:

Page 1, line 18, delete "\$71,580,000" and insert "\$92,499,000"

Page 1, line 19, delete "30" and insert "39"

Page 2, delete lines 3 and 4

Page 2, delete lines 8 and 9

A roll call was requested and properly seconded.

The question was taken on the Sviggum et al amendment and the roll was called.

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

There were 44 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Marsh	Poppenhagen	Sviggum
Blatz	Gutknecht	McDonald	Quist	Swenson
Burger	Hartle	McPherson	Redalen	Thiede
Clausnitzer	Haukoos	Miller	Richter	Tjornhom
Dempsey	Heap	Morrison	Rose	Tompkins
Dille	Himle	Olsen, S.	Schafer	Uphus
Forsythe	Hugoson	Omann	Schreiber	Valento
Frederick	Jennings	Onnen	Shaver	Waltman
Frerichs	Johnson, V.	Pauly	Stanius	

Those who voted in the negative were:

Anderson, G.	Carruthers	Jensen	Kostohryz	Nelson, C.
Anderson, R.	Clark	Johnson, A.	Krueger	Nelson, D.
Battaglia	Cooper	Johnson, R.	Larsen	Neuenschwander
Bauerly	Dauner	Kahn	Lasley	Ogren
Beard	Dawkins	Kalis	Lieder	Olson, E.
Begich	DeBlicke	Kelly	Long	Olson, K.
Bertram	Dorn	Kelso	McLaughlin	Orenstein
Bishop	Greenfield	Kinkel	Milbert	Osthoff
Boo	Jacobs	Kludt	Minne	Otis
Brown	Jaros	Knickerbocker	Munger	Pappas
Carlson, L.	Jefferson	Knuth	Murphy	Pelowski

Peterson	Rodosovich	Skoglund	Vellenga	Wynia
Price	Rukavina	Solberg	Voss	Spk. Vanasek
Reding	Sarna	Sparby	Wagenius	
Rest	Scheid	Steensma	Welle	
Rice	Segal	Trimble	Wenzel	
Riveness	Simoneau	Tunheim	Winter	

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

Clausnitzer offered an amendment to the second portion of House Resolution No. 49.

POINT OF ORDER

Wynia raised a point of order pursuant to rule 3.9 that the Clausnitzer amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

POINT OF ORDER

Rodosovich raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure" relating to personalities not permitted in debate. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Marsh raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure" relating to personalities not permitted in debate. The Speaker ruled the point of order not well taken.

POINT OF ORDER

Dempsey raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure" relating to personalities not permitted in debate. The Speaker ruled the point of order not well taken.

Pauly and Sviggum were excused for the remainder of today's session.

The question recurred on the second portion of House Resolution No. 49 as divided by Poppenhagen.

Pursuant to rule 2.5, Thiede requested that he be excused from

voting on the second portion of House Resolution No. 49. The request was not granted.

The question was taken on the second portion of House Resolution No. 49 as divided by Poppenhagen and the roll was called.

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

There were 93 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Larsen	Osthoff	Simoneau
Anderson, R.	Frederick	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Pappas	Solberg
Bauerly	Gruenes	Long	Pelowski	Sparby
Beard	Hartle	Marsh	Peterson	Steensma
Begich	Jacobs	McLaughlin	Price	Tjornhom
Bennett	Jaros	Milbert	Quist	Trimble
Bertram	Jefferson	Minne	Redalen	Tunheim
Bishop	Jensen	Morrison	Reding	Uphus
Brown	Johnson, A.	Munger	Rest	Vellenga
Carlson, D.	Johnson, R.	Murphy	Rice	Voss
Carlson, L.	Kahn	Nelson, C.	Riveness	Wagenius
Carruthers	Kalis	Nelson, D.	Rodosovich	Welle
Clark	Kelly	Neuenschwander	Rose	Wenzel
Cooper	Kelso	Ogren	Rukavina	Winter
Dauner	Kinkel	Olson, E.	Sarna	Wynia
Dawkins	Knuth	Olson, K.	Scheid	Spk. Vanasek
DeBlicck	Kostohryz	Omann	Seaberg	
Dille	Krueger	Orenstein	Segal	

Those who voted in the negative were:

Blatz	Gutknecht	Kludt	Poppenhagen	Thiede
Boo	Haukoos	Knickerbocker	Richter	Tompkins
Burger	Heap	McDonald	Schafer	Valento
Clausnitzer	Himle	McPherson	Schreiber	Waltman
Dempsey	Hugoson	Miller	Shaver	
Forsythe	Jennings	Olsen, S.	Stanius	
Frerichs	Johnson, V.	Onnen	Swenson	

The motion prevailed and the second portion of House Resolution No. 49 was adopted.

McDonald, Seaberg and Quist were excused for the remainder of today's session.

MOTION FOR RECONSIDERATION

Lasley moved that the vote whereby S. F. No. 121, as amended, was not passed on Thursday, February 18, 1988, be now reconsidered.

A roll call was requested and properly seconded.

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

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

There were 75 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Battaglia	Forsythe	Knickerbocker	Olsen, S.	Segal
Bauerly	Frederick	Knuth	Olson, K.	Shaver
Beard	Greenfield	Larsen	Orenstein	Simoneau
Bennett	Hartle	Lasley	Osthoff	Skoglund
Bishop	Himle	Lieder	Otis	Solberg
Blatz	Jaros	Long	Pappas	Sparby
Boo	Jefferson	Marsh	Pelowski	Swenson
Carlson, L.	Johnson, A.	McLaughlin	Peterson	Trimble
Clark	Johnson, R.	Milbert	Price	Tunheim
Cooper	Kahn	Morrison	Rice	Vellenga
Dawkins	Kalis	Munger	Riveness	Wagenius
DeBlieck	Kelly	Murphy	Rodosovich	Welle
Dempsey	Kelso	Nelson, D.	Sarna	Wenzel
Dille	Kinkel	Neuenschwander	Scheid	Wynia
Dorn	Kludt	Ogren	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Clausnitzer	Jennings	Omam	Steensma
Anderson, R.	Dauner	Jensen	Onnen	Thiede
Begich	Frerichs	Johnson, V.	Poppenhagen	Tjornhom
Bertram	Gruenes	Kostohryz	Redalen	Tompkins
Brown	Haukoos	Krueger	Reding	Uphus
Burger	Heap	McPherson	Richter	Valento
Carlson, D.	Hugoson	Miller	Rose	Voss
Carruthers	Jacobs	Olson, E.	Schafer	Waltman
				Winter

The motion prevailed.

CALL OF THE HOUSE LIFTED

Vellenga moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

S. F. No. 121 was reported to the House.

Vellenga moved to lay S. F. No. 121, as amended, on the table. The motion prevailed and S. F. No. 121, as amended, was laid on the table.

Pursuant to rule 1.15, Schreiber moved that H. F. No. 1560 be recalled from the Committee on Ways and Means, be given its second reading and be advanced to General Orders.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 40 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Johnson, V.	Osthoff	Steensma
Bennett	Gruenes	Knickerbocker	Poppenhagen	Swenson
Blatz	Hartle	Marsh	Redalen	Thiede
Burger	Haukoos	McPherson	Richter	Tjornhom
Carlson, D.	Heap	Miller	Rose	Tompkins
Clausnitzer	Himle	Morrison	Schafer	Uphus
Forsythe	Hugoson	Olsen, S.	Schreiber	Valento
Frederick	Jennings	Onnen	Shaver	Waltman

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Pappas	Solberg
Battaglia	Jacobs	Lieder	Pelowski	Sparby
Bauerly	Jefferson	Long	Peterson	Trimble
Beard	Jensen	Milbert	Price	Tunheim
Begich	Johnson, A.	Minne	Reding	Vellenga
Bertram	Johnson, R.	Munger	Rest	Voss
Bishop	Kahn	Murphy	Rice	Wagenius
Carlson, L.	Kalis	Nelson, C.	Riveness	Welle
Carruthers	Kelly	Nelson, D.	Rodosovich	Wenzel
Clark	Kinkel	Neuenschwander	Rukavina	Winter
Cooper	Kludt	Ogren	Sarna	Wynia
Dauner	Knuth	Olson, E.	Scheid	Spk. Vanasek
Dawkins	Kostohryz	Olson, K.	Segal	
DeBlicck	Krueger	Orenstein	Simoneau	
Dorn	Larsen	Otis	Skoglund	

The motion did not prevail.

Olsen, S., moved that H. F. No. 38 be returned to its author. The motion prevailed.

Olsen, S., moved that H. F. No. 252 be returned to its author. The motion prevailed.

Olsen, S., moved that H. F. No. 396 be returned to its author. The motion prevailed.

Olsen, S., moved that H. F. No. 963 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2090 be returned to its author. The motion prevailed.

Riveness moved that H. F. No. 1932 be recalled from the Committee on Health and Human Services and be re-referred to the

Committee on Financial Institutions and Insurance. The motion prevailed.

Welle moved that H. F. No. 2240 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Judiciary. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Taxes to which was referred:

H. F. No. 1704, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Reported the same back with the following amendments:

Page 2, delete line 7

Page 2, line 8, delete "act" and insert "By June 1, 1988"

Page 2, line 17, delete "within the 30-day period" and insert "by June 1, 1988"

Page 2, line 19, delete "30 days after the date of final enactment" and insert "June 1, 1988,"

Page 2, delete lines 26 to 34 and insert:

"Here is the rest of your 1986 property tax refund.

As you recall, a state law reduced all 1986 property tax refund checks by 33 percent.

The amount of this check, together with the amount of the property tax refund check you received last fall, should equal the amount of the refund you listed on your 1986 property tax refund application."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1184, A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1981, chapter 354, section 1, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding the provisions of Minnesota Statutes, Section 92.45, upon recommendation of the commissioner of administration, the commissioner of natural resources, and the commissioner of corrections, the governor may transfer and convey, in the name of the state of Minnesota, to the Amherst H. Wilder Foundation, for purposes of operating a ~~youth conservation camp~~ residential human service facility serving individuals referred to the facility by court order or county social service agencies only, the real estate now being leased from the state and operated as a youth conservation camp by the Amherst H. Wilder Foundation ~~and situated in the~~ consisting of approximately 81 acres including all improvements located in sections 27 and 28, Wilma township, county of Pine in the St. Croix state forest. The consideration to be paid for the property shall be \$200,000.

Sec. 2. Laws 1981, chapter 354, section 1, subdivision 5, is amended to read:

Subd. 5. [STATE OPTION TO PURCHASE.] If the property conveyed to the Amherst H. Wilder Foundation pursuant to this section is not used for the purpose of operating a youth conservation camp residential human service facility serving individuals referred to this facility by court order or county social service agencies, the foundation shall offer to the commissioner of natural resources state an option to acquire the property at the appraised value as certified pursuant to subdivision 3 for \$200,000 or the value as appraised in the manner provided in Minnesota Statutes, Section 94.10, Subdivision 1, at the time the option is offered, whichever value is less. The state must exercise the option to purchase within 18 months from the date upon which it receives written notice of the option.

Sec. 3. [MILLE LACS COUNTY LAND SALE.]

Notwithstanding the provisions of Minnesota Statutes, section 92.45 or 282.018, Mille Lacs county may sell the west one-half of the west one-half of the southwest one-fourth of section 21, township 37 north, range 26 west. The county and the state shall provide a proper conveyance of the property. The sale shall be conducted in accordance with the provisions of Minnesota Statutes, sections 282.01 to 282.132.

Sec. 4. [REPEALER.]

Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4, are repealed.

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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1704 and 1749 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1184 was read for the second time.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, February 29, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, February 29, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, FEBRUARY 29, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Rick Storm, Spring Lake Park Baptist Church, Spring Lake Park, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Larsen	Osthoff	Simoneau
Anderson, R.	Frerichs	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Pappas	Sparby
Bauerly	Gruenes	Long	Pauly	Stanius
Beard	Hartle	Marsh	Pelowski	Steensma
Begich	Haukoos	McDonald	Peterson	Sviggum
Bennett	Heap	McEachern	Poppenhagen	Swenson
Bertram	Himle	McLaughlin	Price	Thiede
Bishop	Hugoson	McPherson	Quinn	Tjornhom
Blatz	Jacobs	Milbert	Quist	Tompkins
Boo	Jaros	Miller	Redalen	Trimble
Brown	Jefferson	Minne	Reding	Tunheim
Burger	Jennings	Morrison	Rest	Uphus
Carlson, D.	Jensen	Munger	Rice	Valento
Carlson, L.	Johnson, A.	Murphy	Richter	Vellenga
Carruthers	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, K.	Rodosovich	Wagenius
Cooper	Kalis	Neuenschwander	Rose	Waltman
Dauner	Kelly	O'Connor	Rukavina	Welle
Dawkins	Kelso	Ogren	Sarna	Wenzel
DeBlieck	Kinkel	Olsen, S.	Schafer	Winter
Dempsey	Kludt	Olsen, E.	Scheid	Wynia
DeRaad	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dille	Knuth	Omam	Seaberg	
Dorn	Kostohryz	Onnen	Segal	
Forsythe	Krueger	Orenstein	Shaver	

A quorum was present.

Gutknecht; Nelson, D., and Ozment were excused.

Solberg was excused until 2:30 p.m. Clark and McKasy were excused until 2:40 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. 718, 1761, 1817, 1858, 2020, 1805, 1940, 1979, 1790, 1851, 1749 and 1704 and S. F. Nos. 1575 and 1184 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 10, A bill for an act relating to crimes; providing for life imprisonment without parole for persons convicted of premeditated murder in the first degree; eliminating juvenile court jurisdiction over minors 14 years old and older accused of murder or manslaughter; expanding the crime of murder in the second degree to cover the unintentional killing of certain young children; increasing penalties and imposing mandatory minimum sentences for certain homicides and other crimes; clarifying the elements of manslaughter in the first degree; prohibiting waiver of certain mandatory minimum sentencing provisions; amending Minnesota Statutes 1986, sections 244.05, subdivision 4; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.125, subdivision 3; and by adding a subdivision; 609.19; 609.195; 609.20; 609.221; 609.223; 609.224; 609.255, subdivision 3; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; and 609.377; and repealing Minnesota Statutes 1986, section 609.11, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence shall not be given supervised release under this section without having served a minimum term of imprisonment of 17 20 years.

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.20, is amended to read:

609.20 [MANSLAUGHTER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of manslaughter 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 another person 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, provided that the crying of an infant or child under the age of 12 years does not constitute such words or acts;

(2) causes the death of another in committing or attempting to commit a misdemeanor or gross misdemeanor offense with such force and violence that death of or great bodily harm to any person was reasonably foreseeable, and murder in the first or second degree was not committed thereby;

(3) intentionally causes the death of another person because the actor is coerced by threats made by someone other than the actor's coconspirator and which cause the actor reasonably to believe that the act performed by the actor is the only means of preventing imminent death to the actor or another; or

(4) proximately causes the death of another, without intent to cause death by, directly or indirectly, unlawfully selling, giving away, bartering, delivering, exchanging, distributing, or administering a controlled substance classified in schedule III, IV, or V.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1988, and apply to crimes committed on or after that date.

Delete the title and insert:

"A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 518, A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; proposing coding for new law as Minnesota Statutes, chapter 468.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986; section 3.981, subdivision 2, is amended to read:

Subd. 2. [COSTS MANDATED BY THE STATE.] (a) "Costs mandated by the state" means increased costs that a local agency or a school district political subdivision is required to incur as a result of:

(a) (1) a law enacted after June 30, 1985, which mandates a new program or an increased level of service of an existing program;

(b) (2) an executive order issued after June 30, 1985, which mandates a new program;

(c) (3) 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) (4) 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) (5) 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) (6) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which removes an option previously available to local agencies political subdivisions and thus increases program or service levels or prohibits a specific activity and so forces local agencies political subdivisions to use a more costly alternative to provide a mandated program or service;

(g) (7) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service;

(h) (8) 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~~ political subdivisions have no reasonable alternatives other than to continue the optional program;

(i) (9) 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;

(j) (10) 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) (11) a statute enacted or an executive order issued after March 26, 1986 which requires payment of a new fee or increases the amount of an existing fee; or

(12) when state statutory or executive actions are intended to achieve compliance with federal statutes or regulations or court orders, state mandates shall be determined as follows:

(i) if the federal statute or regulation or court order is discretionary, the state statutory or executive action is a state mandate;

(ii) if the state statutory or executive action exceeds what is required by the federal statute or regulation or court order, only the provisions of the state action which exceed the federal requirements are a state mandate; and

(iii) if the state statutory or executive action does not exceed what is required by the federal statute or regulation or court order, the state action is not a state mandate.

(b) Costs mandated by the state include the costs of:

(1) a rule issued after December 31, 1988, which mandates a new responsibility; and

(2) a rule issued after December 31, 1988, which implements or interprets a state statute enacted after December 31, 1986, and by doing so increases program levels above the levels required before January 1, 1988.

Sec. 2. Minnesota Statutes 1986, section 3.981, is amended by adding a subdivision to read:

Subd. 4a. [MANDATE.] A "mandate" is a requirement imposed upon a political subdivision by the legislature, a state agency, or judicial authority which, if not complied with, results in (a) civil liability, (b) criminal penalty, or (c) administrative sanctions such as reduction or loss of funding.

Sec. 3. Minnesota Statutes 1986, section 3.981, is amended by adding a subdivision to read:

Subd. 5a. [POLITICAL SUBDIVISION.] A "political subdivision" is a county, city, town, school district, or other taxing district or municipal corporation.

Sec. 4. Minnesota Statutes 1986, section 3.981, subdivision 8, is amended to read:

Subd. 8. [SAVINGS.] "Savings" includes budget reductions and the freeing of staff or resources to be reassigned to a local agency's or school district's political subdivision's other areas of concern.

Sec. 5. Minnesota Statutes 1986, section 3.982, is amended to read:

3.982 [FISCAL NOTES FOR STATE-MANDATED ACTIONS.]

Subdivision 1. [DIVISION OF STATE AND LOCAL MANDATES.] When the state proposes to mandate that a local agency or school district political subdivision take an action, and when reasonable compliance with that action would force the local agency or school district political subdivision to incur costs mandated by the state, a fiscal note shall be prepared as provided in section 3.98, subdivision 2 and shall be made available to the public upon request. If the action is among the exceptions listed in section 3.983, a fiscal note need not be prepared.

When a bill proposing a mandate is introduced and referred to a standing committee, the chair of the standing committee to which the bill is referred shall request the appropriate state agency or department to prepare a fiscal note before the bill is heard in the committee. Before a proposed mandate is issued in an executive order, the governor or appropriate agency head assigned by the governor shall prepare the fiscal note and make it available to the public.

A division of state and local mandates in the office of state auditor is created. The division shall make a reasonable determination in a timely manner of the estimated and actual financial effects on each

political subdivision of each program mandated by the legislature and each rule proposed by an administrative agency. The division may require the commissioner of the appropriate administrative agency of the state to supply in a timely manner any information determined by the division to be necessary to determine local financial effects. The commissioner shall convey the requested information to the division with a signed statement to the effect that the information is accurate and complete to the best of the commissioner's ability.

The division when requested shall update its determination of financial effects based on either actual cost figures or improved estimates or both.

Subd. 2. [MANDATE EXPLANATIONS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose program or financial mandates on political subdivisions must include an attachment that gives appropriate responses to the following guidelines. It must state and list:

(1) the policy goals which are sought to be attained, the performance standards that are to be imposed, and an explanation why the goals and standards will best be served by the requiring compliance on the part of political subdivisions;

(2) performance standards which will allow political subdivisions flexibility and innovation of method in achieving these goals;

(3) the reasons for each prescribed standard and the process by which each standard shall govern inputs such as staffing and other administrative aspects of the program;

(4) the sources of additional revenue, in addition to existing funding for similar programs, that are directly linked to imposition of the mandates that will provide adequate and stable funding for their requirements;

(5) what input has been obtained to ensure that the implementing agencies have the capacity to carry out the delegated responsibilities; and

(6) the reasons why less intrusive measures such as financial incentives or voluntary compliance would not yield the equity, efficiency, or desired level of statewide uniformity in the proposed program.

Subd. 3. [LOCAL INVOLVEMENT; LAWS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose a program or financial mandate on political subdivisions must include as an attachment a description of the efforts put forth, if any, to

involve political subdivisions in the creation or development of the proposed mandate.

Subd. 4. [NO MANDATE RESTRICTION.] Except as specifically provided by this act, nothing in this act shall be construed to restrict or eliminate the authority of the state to create or impose programs by legislative mandate upon political subdivisions.

Sec. 6. Minnesota Statutes 1986, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note or an attachment as provided in section 3.982, subdivision 2, need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) accommodates a specific local request;
- (b) results in no new local government duties;
- (c) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than one-tenth of a mill times the entire value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;
- (h) appears in rules that are permissive or discretionary in nature;
- (i) defines a new crime or redefines an existing crime or infraction;
- (j) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or
- ~~(k)~~ (i) results in savings that equal or exceed costs;
- (j) requires the holding of elections;

- (k) insures due process and equal protection;
- (l) provides for the notification and conduct of public meetings;
- (m) establishes the procedures for administrative and judicial review of actions taken by political subdivisions;
- (n) protects the public from malfeasance, misfeasance, or nonfeasance by officials of political subdivisions;
- (o) relates directly to financial administration, including the levy, assessment, and collection of taxes;
- (p) relates directly to the preparation and submission of financial audits necessary to the administration of state laws; or
- (q) requires uniform standards to apply to public and private institutions without differentiation.

Sec. 7. [3.984] [REIMBURSEMENT TO LOCAL POLITICAL SUBDIVISIONS FOR COSTS OF STATE MANDATES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, class A and class B state mandates have the meaning given them.

(a) "Class A state mandates" are those laws under which the state mandates to political subdivisions, their participation, the organizational structure of the program, and the procedural regulations under which the law must be administered.

(b) "Class B state mandates" are those mandates that allow the political subdivisions to opt for administration of a law with program elements mandated beforehand and with an assured revenue level from the state of 90 percent of full program and administrative costs.

Subd. 2. [REPORT.] The division of state and local mandates shall submit to the department of finance by September 1, 1990, and by September 1 of each year thereafter, a report by political subdivisions of the costs of class A state mandates established after December 31, 1988.

The department of finance shall annually include the statewide total of the statement of costs of class A mandates as a notation in the state budget for the next fiscal year.

Subd. 3. [CERTAIN POLITICAL SUBDIVISIONS; REPORT.] The political subdivisions that have opted to administer class B state mandates shall report to the division of state and local mandates on or before September 1, 1990, and on or before September 1 of each

year thereafter, regarding the fact that revenue for a class B state mandate has fallen below 85 percent of the total cost of the program and that the political subdivision intends to cease administration of the program.

The division shall forward a copy of the report to the department of finance and the respective chairs of the senate finance committee and the house appropriations committee for inclusion of the shortfall as a line item appropriation in the state budget for the next fiscal year.

The political subdivision may exercise its option to cease administration only if the legislature has failed to include the shortfall as an appropriation in the state budget for the next fiscal year.

Subd. 4. [EXEMPTIONS.] Statutes and executive orders enumerated in Minnesota Statutes, section 3.983, are exempted from this section.

Sec. 8. Minnesota Statutes 1986, 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 money 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 after December 31, 1988, must be accompanied by a written report of the division of state and local mandates. The report must state the division's opinion of the total cost to local public bodies to implement the rule for the two years immediately following adoption of the rule. The report must also contain the opinion of the division as to the consistency of the proposed rule with the original legislative intent. The division shall have 60 days from the date of the agency's request to issue the report. 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 statewide jurisdiction which have the authority to levy taxes.

Sec. 9. [14.401] [PERIODIC REVIEW OF ADMINISTRATIVE RULES.]

The division of state and local mandates shall review every five years the rules adopted after December 31, 1988, that have significant financial impact upon political subdivisions. For purposes of this section, "significant financial impact" means requiring local political subdivisions to expand existing services, employ additional personnel, or increase local expenditures. The division shall deter-

mine the costs and benefits of each rule and submit a report to the commission with its opinion, if any, for the continuation, modification, or elimination of each rule.

Sec. 10. [REPEALER.]

Minnesota Statutes 1986, section 3.981, subdivisions 4, 5, and 9, are repealed.

Delete the title and insert:

"A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1986, sections 3.981, subdivisions 2, 8, and by adding subdivisions; 3.982; 3.983, subdivision 3; 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1986, section 3.981, subdivisions 4, 5, and 9."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 577, A bill for an act relating to children; requiring that a notice be placed on a child's birth record when parental rights to the child are terminated; permitting the juvenile court to transfer legal custody of a dependent or neglected child to a relative or foster parent under certain circumstances; providing a procedure for the adoption of a child by a foster parent at the same time that parental rights to the child are voluntarily terminated; requiring custody investigations in family court when a person other than a parent seeks custody of the child; amending Minnesota Statutes 1986, sections 144.219; 259.22, subdivision 2; 259.40, subdivisions 1 and 4; 260.191, subdivisions 1 and 2; 260.241, by adding a subdivision; and 518.167, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144 and 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivision 4, if the child has been placed in a

residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within 18 12 months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, subdivision 1a, to determine if the placement is in the best interests of the child.

Sec. 2. Minnesota Statutes 1986, section 260.011, subdivision 2, is amended to read:

Subd. 2. (a) The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated neglected or dependent and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will serve the spiritual, emotional, mental, and physical welfare of the child and the best interests of the state; to provide judicial procedures which protect the welfare of the child; to preserve and strengthen the child's family ties whenever possible, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal; and, when removal from the child's own family is necessary, to secure for the child custody, care and discipline as nearly as possible equivalent to that which should have been given by the parents.

(b) The purpose of the laws relating to termination of parental rights is to ensure that:

(1) reasonable efforts have been made by the social service agency to reunite the child with the child's parents in a placement that is safe and permanent; and

(2) if such a placement is not reasonably foreseeable, to secure for the child a safe and permanent placement, preferably with adoptive parents.

The paramount consideration in all proceedings for the termination of parental rights shall be the best interests of the child.

(c) The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just; that recognize the unique

characteristics and needs of children, and that give children access to opportunities for personal and social growth.

(d) The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1986, section 260.012, is amended to read:

260.012 [DUTY TO ENSURE FAMILY REUNIFICATION OF JUVENILE COURT.]

At all stages of juvenile court proceedings, if a child is under the court's dependency or neglect jurisdiction, it shall be the duty of the court to ensure that reasonable efforts by the social service agency are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that all reasonable efforts are made to reunite a the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the child and the public.

Sec. 4. Minnesota Statutes 1986, section 260.015, subdivision 10, is amended to read:

Subd. 10. "Neglected child" means a child:

- (a) who is abandoned by a parent, guardian, or other custodian; or
- (b) who is without proper parental care because of the faults or habits of a parent, guardian, or other custodian; or
- (c) who is without necessary subsistence, education or other care necessary for physical or mental health or morals because the parent, guardian or other custodian neglects or refuses to provide it; or
- (d) who is without the special care made necessary by a physical or mental condition because the parent, guardian, or other custodian neglects or refuses to provide it; or
- (e) who is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all

conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

- (1) the infant is chronically and irreversibly comatose;
- (2) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or
- (3) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane; or
- (f) whose occupation, behavior, condition, environment or associations are such as to be injurious or dangerous to the child or others; or
- (g) who is living in a facility for foster care which is not licensed as required by law, unless the child is living in the facility under court order; or
- (h) whose parent, guardian, or custodian has made arrangements for the child's placement in a manner detrimental to the welfare of the child or in violation of law; or
- (i) who comes within the provisions of subdivision 5, but whose conduct results in whole or in part from parental neglect; or
- (j) who is a victim of domestic child abuse as defined in section 260.015, subdivision 24.

Sec. 5. Minnesota Statutes 1986, section 260.155, subdivision 4a, is amended to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any dependency, neglect, or neglected and in foster care, or termination of parental rights proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 6. Minnesota Statutes 1986, section 260.155, subdivision 7, is amended to read:

Subd. 7. [FACTORS IN DETERMINING NEGLECT.] In determining whether a child is neglected and in foster care, the court shall consider, among other factors, the following:

- (1) The length of time the child has been in foster care;
- (2) The effort the parent has made to adjust circumstances, conduct, or condition to make it in the child's best interest to be returned to the parent's home in the foreseeable future, including the use of rehabilitative services offered to the parent;
- (3) Whether the parent has visited the child within the ~~nine~~ three months preceding the filing of the petition, unless it was physically or financially impossible for the parent to visit or not in the best interests of the child to be visited by the parent. The court may consider evidence of incidental visitations, communications, or contributions by the parent;
- (4) The maintenance of regular contact or communication with the agency or person temporarily responsible for the child;
- (5) The appropriateness and adequacy of services provided or offered to the parent to facilitate a reunion;
- (6) Whether additional services would be likely to bring about lasting parental adjustment enabling a return of the child to the parent within an ascertainable period of time; and
- (7) The nature of the effort made by the responsible social service agency to rehabilitate and reunite the family.

Sec. 7. Minnesota Statutes 1987 Supplement, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

- (a) With the written consent of a parent who for good cause desires to terminate parental rights; or
- (b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child for six months in the case of a child under six years of age, or for 12 months in the case of a child ages six to eleven; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship, treatment for mental disability, incarceration or other good cause prevented the parent from making contact with the child. This presumption shall not apply to children whose custody has been determined pursuant to chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child of such duration or nature as to render the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child; or

(5) That following upon a determination of neglect or dependency, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It shall be presumed that reasonable efforts under clause (5) have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home under court order for more than one year following an adjudication of dependency, neglect or neglected and in foster care;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family. Nothing in clause (5) prohibits the termination of parental rights prior to one year after a child has been placed out of the home; or

(6) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

Subd. 2. [ADOPTIVE PARENT.] For purposes of subdivision 1, clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under subdivision 1, clause (a).

Subd. 3. [WHEN PRIOR FINDING REQUIRED.] For purposes of subdivision 1, clause (b), no prior judicial finding of dependency, neglect, or neglected and in foster care is required, except as provided in subdivision 1, clause (b)(5).

Subd. 4. [BEST INTERESTS OF CHILD PARAMOUNT.] In any proceeding pursuant to this section, the best interests of the child shall be the paramount consideration, provided that the conditions in subdivision 1, clause (a) or at least one condition in subdivision 1, clause (b) are found by the court. Where the interests of parent and child conflict, the interests of the child are paramount.

Sec. 8. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 7 are effective August 1, 1988 and apply to petitions for termination of parental rights filed and placements begun on and after that date."

Delete the title and insert:

"A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; amending Minnesota Statutes 1986, sections 257.071, subdivision 3; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155, subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 812, A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 151.01, subdivision 2, is amended to read:

Subd. 2. [PHARMACY.] The term "pharmacy" means a drug store or other established place regularly registered by the state board of pharmacy, in which prescriptions, drugs, medicines, chemicals, and poisons are compounded, dispensed, vended, or sold at retail. "Pharmacy" means an established place of business in which prescriptions, drugs, medicines, chemicals, and poisons are prepared, compounded, dispensed, vended, or sold to or for the use of patients and from which related clinical pharmacy services are delivered.

Sec. 2. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 27. [PRACTICE OF PHARMACY.] "Practice of pharmacy" means (1) the interpretation and evaluation of prescriptions or drug orders; (2) the compounding, dispensing, or labeling of drugs and devices, except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices; (3) the participation in clinical interpretations of drug therapy for assurance of safe and effective use of drugs; (4) participation in drug selection and drug utilization reviews; (5) participation in the storage of drugs and the maintenance of records therefore; (6) the responsibility for advising on therapeutic values, content, hazards and uses of drugs and devices; and (7) the offering or performing of

those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy.

Sec. 3. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 28. [DEVICE.] "Device" means an instrument, apparatus, implement, machine, contrivance, implant, in-vitro reagent, or other similar or related article including a component, part, or accessory, that is:

(1) recognized in the official National Formulary or the U.S.P. or any supplement to them;

(2) intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease in man or other animals;

(3) intended to affect the structure or function of the body of man or other animals, and that does not achieve any of its principal intended purposes through chemical action within or on the body of man or other animals and is not dependent upon being metabolized for the achievement of any of its principal intended purposes; or

(4) restricted under federal law to sale by or on the order of a licensed practitioner.

Sec. 4. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 29. [VETERINARY LEGEND DRUG.] "Veterinary legend drug" means a drug that is required by federal law to bear the following statement, "Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian."

Sec. 5. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 30. [LEGEND MEDICAL GAS.] "Legend medical gas" means a liquid or gaseous substance used for medical purposes and required by federal law to bear the following statement: "Caution: Federal law prohibits dispensing without a prescription."

Sec. 6. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 31. [DISPENSE OR DISPENSING.] "Dispense" or "dispensing" means the preparation or delivery of a drug pursuant to a lawful order of a practitioner in a suitable container appropriately

labeled for subsequent administration to or use by a patient or other individual entitled to receive the drug.

Sec. 7. Minnesota Statutes 1986, section 151.04, is amended to read:

151.04 [RECOMMENDED NAMES.]

The Minnesota state pharmaceutical association and the Minnesota society of hospital pharmacists may jointly recommend five names for each pharmacist to be appointed.

Sec. 8. Minnesota Statutes 1986, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES OF THE BOARD.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs or medicines and medical devices within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States pharmacopoeia and the national formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) It may, by its duly authorized representative, to enter and inspect by its authorized representative any and all places where drugs or, medicines, medical devices, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled or held; it may secure samples or specimens of any drug or medicine drugs, medicines, medical devices, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of drugs or medicines these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
 - (a) (i) fraud or deception in connection with the securing of such license or registration;

(b) (ii) in the case of a pharmacist, conviction in any court of a felony;

(c) (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

(d) (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

(e) (v) unprofessional conduct or conduct endangering public health;

(f) (vi) gross immorality;

(g) (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(h) (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(i) (ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

(j) (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(k) (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;

(7) to employ necessary assistants and make rules for the conduct of its business; and

(8) to perform such other duties and exercise such other powers as the provisions of the act may require;

(b) [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 pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be

provided with at least 20 days' notice of any hearing held under this subdivision.

(9) (c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 9. [151.09] [INACTIVE STATUS LICENSE.]

The board may, by rule, establish standards for an inactive status of licensure for previously licensed pharmacists who have retired from active practice, have left the state, or have otherwise ceased to be actively engaged in the practice of pharmacy in this state.

Sec. 10. Minnesota Statutes 1986, section 151.101, is amended to read:

151.101 [INTERNSHIP.]

The board may license as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern licensure prescribed by the board. The board shall prescribe standards and requirements for interns, pharmacist-preceptors, and internship training but may not require more than one year of such training.

The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Sec. 11. Minnesota Statutes 1986, section 151.15, is amended to read:

151.15 [COMPOUNDING DRUGS UNLAWFUL UNDER CERTAIN CONDITIONS.]

Subdivision 1. [LOCATION.] It shall be unlawful for any person to compound, dispense, vend, or sell ~~at retail~~, drugs, medicines, chemicals, or poisons in any place other than a pharmacy, except as provided in this chapter.

Subd. 2. [PROPRIETORS OF PHARMACIES.] No proprietor of a pharmacy shall permit the compounding or dispensing of prescriptions except by a pharmacist, ~~or by an assistant pharmacist~~, or by a pharmacist intern under the personal supervision of a pharmacist; or the vending or selling ~~at retail~~ of drugs, medicines, chemicals, or poisons in the proprietor's pharmacy except under the personal

supervision of a pharmacist ~~or of an assistant pharmacist~~ in the temporary absence of the pharmacist.

Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.] It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter.

Subd. 4. [UNLICENSED PERSONS; LEGEND DRUGS.] It shall be unlawful for any person other than a licensed practitioner or pharmacist to compound or dispense legend drugs except as provided in this chapter.

Sec. 12. Minnesota Statutes 1986, section 151.19, is amended to read:

151.19 [REGISTRATION OF PHARMACIES; LICENSE, FEE; FEES.]

Subdivision 1. [PHARMACY REGISTRATION.] The board shall require and provide for the annual registration of every pharmacy now or hereafter doing business within this state. Upon the payment of a fee to be set by the board, the board shall issue a license registration certificate in such form as it may prescribe to such persons as may be qualified by law to conduct a pharmacy. Such license certificate shall be ~~exposed~~ displayed in a conspicuous place in the pharmacy for which it is issued and expire on the thirtieth day of June following the date of issue. It shall be unlawful for any person to conduct a pharmacy unless such license certificate has been issued to the person by the board.

Subd. 2. [NONRESIDENT PHARMACIES.] The board shall require and provide for an annual nonresident special pharmacy registration for all pharmacies located outside of this state that regularly dispense medications for Minnesota residents and mail, ship, or deliver prescription medications into this state. Nonresident special pharmacy registration shall be granted by the board upon the disclosure and certification by a pharmacy:

(1) that it is licensed in the state in which the dispensing facility is located and from which the drugs are dispensed;

(2) of the location, names, and titles of all principal corporate officers and all pharmacists who are dispensing drugs to residents of this state;

(3) that it complies with all lawful directions and requests for information from the board of pharmacy of all states in which it is licensed or registered, except that it shall respond directly to all communications from the board concerning emergency circum-

stances arising from the dispensing of drugs to residents of this state;

(4) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(5) that it cooperates with the board in providing information to the board of pharmacy of the state in which it is licensed concerning matters related to the dispensing of drugs to residents of this state; and

(6) that during its regular hours of operation, but not less than six days per week, for a minimum of 40 hours per week, a toll free telephone service is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records. The toll free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state.

Subd. 3. [SALE OF OTHER DRUGS AND DEVICES.] The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical devices or medical gases, or of veterinary drugs or devices. Upon the person's payment of a fee to be set by the board, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute these items. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute these items unless a certificate has been issued to the person by the board.

Sec. 13. Minnesota Statutes 1986, section 151.211, is amended to read:

151.211 [RECORDS OF PRESCRIPTIONS.]

All prescriptions dispensed shall be kept on file ~~in~~ at the ~~phar-~~ phar- ~~ma-~~ ma- ~~cy~~ cy location in which such dispensing occurred for a period of at least two years. No prescription shall be refilled except with the written or verbal consent of the prescriber; ~~provided that~~. The date of such refill must be recorded and initialed upon the original prescription or within the electronically maintained record of the original prescription by the pharmacist, ~~assistant pharmacist or pharmacist intern, or practitioner~~ who refills the prescription.

Sec. 14. Minnesota Statutes 1986, section 151.212, subdivision 1, is amended to read:

Subdivision 1. [PRESCRIPTION DRUGS.] Drugs dispensed pursuant to a prescription shall bear a label permanently affixed to the immediate container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and by rules of the board.

Sec. 15. Minnesota Statutes 1986, section 151.212, is amended by adding a subdivision to read:

Subd. 3. [VETERINARY DRUGS.] Drugs dispensed, sold, or distributed in any manner pursuant to the order of a licensed veterinarian shall bear a label permanently affixed to the container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and the rules of the board.

Sec. 16. Minnesota Statutes 1986, section 151.25, is amended to read:

151.25 [LICENSURE REGISTRATION OF MANUFACTURERS OR WHOLESALERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual licensure registration of every person engaged in manufacturing or selling at wholesale drugs, medicines, chemicals or poisons for medicinal purposes, now or hereafter doing business ~~within~~ with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a license registration certificate in such form as it may prescribe to such manufacturer or wholesaler. Such license registration certificate shall be ~~exposed~~ displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the ~~13th day of June following the date of issue~~ date set by the board. It shall be unlawful for any person to manufacture or sell at wholesale drugs, medicines, chemicals or poisons for medicinal purposes unless such a license certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture or selling at wholesale, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 17. Minnesota Statutes 1986, section 151.26, subdivision 1, is amended to read:

Subdivision 1. Nothing in this chapter shall subject a person duly licensed in this state to practice medicine, dentistry, or veterinary medicine, who is not engaged in the dispensing, sale, or distribution of drugs, to inspection by the state board of pharmacy, nor prevent such a the person from compounding or using administering drugs, medicines, chemicals, or poisons in the person's practice, nor prevent

~~one a duly licensed to practice medicine practitioner~~ from furnishing to a patient such properly packaged and labeled drugs, medicines, chemicals, or poisons the licensed person deems proper as may be considered appropriate in the treatment of such patient.

Nothing in this chapter shall prevent the sale of drugs, medicines, chemicals, or poisons at wholesale to licensed physicians, dentists and veterinarians for use in their practice, nor to hospitals for use therein.

Nothing in this chapter shall prevent the sale of drugs, chemicals, or poisons either at wholesale or retail for use for commercial purposes, or in the arts, nor interfere with the sale of insecticides, as defined in Minnesota Statutes 1974, section 24.069, and nothing in this chapter shall prevent the sale of common household preparations and other drugs, chemicals, and poisons sold exclusively for use for nonmedicinal purposes.

Nothing in this chapter shall apply to or interfere with the vending or retailing of any nonprescription medicine or drug not otherwise prohibited by statute which is prepackaged, fully prepared by the manufacturer or producer for use by the consumer, and labeled in accordance with the requirements of the state or federal food and drug act; nor to the manufacture, wholesaling, vending, or retailing of flavoring extracts, toilet articles, cosmetics, perfumes, spices, and other commonly used household articles of a chemical nature, for use for nonmedicinal purposes. Nothing in this chapter shall prevent the sale of drugs or medicines by licensed pharmacists at a discount to persons over 65 years of age.

Sec. 18. Minnesota Statutes 1986, section 151.32, is amended to read:

151.32 [CITATION.]

The title of sections 151.01 to ~~151.32~~ 151.40 shall be the pharmacy law of 1937 practice act of 1988.

Sec. 19. Minnesota Statutes 1986, section 151.34, is amended to read:

151.34 [PROHIBITED ACTS.]

It shall be unlawful to:

(1) manufacture, sell or deliver, hold or offer for sale any drug that is adulterated or misbranded;

(2) adulterate or misbrand any drug;

(3) receive in commerce any drug that is adulterated or misbranded, and to deliver or proffer delivery thereof for pay or otherwise;

(4) refuse to permit entry or inspection, or to permit the taking of a sample, or to permit access to or copying of any record as authorized by this chapter;

(5) remove or dispose of a detained or embargoed article in violation of this chapter;

(6) alter, mutilate, destroy, obliterate, or remove the whole or any part of the labeling of, or to do any other act with respect to a drug, if such act is done while such drug is held for sale and results in such drug being adulterated or misbranded;

(7) use for a person's own advantage or to reveal other than to the board or its authorized representative or to the courts when required in any judicial proceeding under this chapter any information acquired under authority of this chapter concerning any method or process which is a trade secret and entitled to protection;

(8) use on the labeling of any drug any representation or suggestion that an application with respect to such drug is effective under the federal act or that such drug complies with such provisions;

(9) in the case of a manufacturer, packer, or distributor offering legend drugs for sale within this state, fail to maintain for transmittal or to transmit, to any practitioner licensed by applicable law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved under the federal act. Nothing in this paragraph shall be construed to exempt any person from any labeling requirement imposed by or under provisions of this chapter; or

(10) conduct a pharmacy without a pharmacist in charge;

(11) dispense a legend drug without first obtaining a valid prescription for that drug;

(12) conduct a pharmacy without proper registration with the board; or

(13) sell at retail federally restricted medical devices, medical gases, or veterinary drugs or devices without proper registration with the board except as provided in this chapter.

Sec. 20. Minnesota Statutes 1986, section 151.37, is amended to read:

151.37 [LEGEND DRUGS, WHO MAY PRESCRIBE, POSSESS.]

Subdivision 1. Except as otherwise provided in this chapter, it shall be unlawful for any person to have in possession, or to sell, give away, barter, exchange, or distribute a legend drug.

Subd. 2. A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, ~~or and~~ may cause the same to be administered by a nurse or intern under the practitioner's direction and supervision.

Subd. 3. A licensed doctor of veterinary medicine, in the course of professional practice only and not for use by a human being, may personally prescribe, administer, and dispense a legend drug, and may cause the same to be administered or dispensed by an assistant under the doctor's direction and supervision.

Subd. 4. Any qualified person may use legend drugs in the course of a bona fide research project, but cannot administer or dispense such drugs to human beings unless such drugs are prescribed, dispensed, and administered by a person lawfully authorized to do so.

Subd. 5. Nothing in this chapter shall prohibit the sale to, or the possession of, a legend drug by licensed drug wholesalers, licensed manufacturers, registered pharmacies, local detoxification centers, licensed hospitals, bona fide hospitals wherein animals are treated, or licensed pharmacists and licensed practitioners while acting within the course of their practice only.

Subd. 6. Nothing in this chapter shall prohibit the possession of a legend drug by an employee, agent, or sales representative of a registered drug manufacturer, or an employee or agent of a licensed manufacturer, licensed registered drug wholesaler, or registered pharmacy, while acting in the course of employment.

Subd. 7. Nothing in this chapter shall prohibit the possession of a legend drug by a person for that person's use when it has been dispensed to the person pursuant to in accordance with a written or oral prescription by a practitioner.

Subd. 8. It shall be is unlawful for ~~any~~ a person to procure, attempt to procure, possess, or control a legend drug by any of the following means:

- (a) (1) deceit, misrepresentation, or subterfuge;

(b) (2) using a false name; or

(c) (3) falsely assuming the title of, or falsely representing any a person to be a manufacturer, wholesaler, pharmacist, practitioner, or other authorized person for the purpose of obtaining a legend drug.

Subd. 9. Nothing in this chapter shall prohibit the possession of a legend drug by an employee or agent of a registered analytical laboratory while acting in the course of laboratory employment.

Sec. 21. [REPEALER.]

Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31, are repealed."

Delete the title and insert:

"A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31."

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

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1596, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; authorizing the commissioner to establish a veterans home; providing for the operation of the center and home; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 196 and 198.

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1602, A bill for an act relating to Morrison county; authorizing the board of county commissioners to levy a tax for the building fund.

Reported the same back with the following amendments:

Page 1, line 14, delete "1987" and insert "1988" and delete "1988" and insert "1989"

Page 1, line 15, delete "1996" and insert "1997" and delete "1997" and insert "1998"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1659, A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 22, delete "August 1," and insert "the effective date of sections 1 to 8"

Page 1, line 23, delete "1988"

Page 2, line 16, delete "August 1, 1988" and insert "the effective date of sections 1 to 8"

Page 2, line 24, delete "August 1, 1988" and insert "the effective date of sections 1 to 8"

Page 2, line 28, delete "on August 15, 1988" and insert "30 days after the effective date of sections 1 to 8"

Page 3, lines 29 and 30, delete "on August 15, 1988" and insert "30 days after the effective date of sections 1 to 8"

Page 3, line 34, delete "August 1, 1988" and insert "the effective date of sections 1 to 8"

Page 4, after line 4, insert:

"Sec. 9. [EFFECTIVE DATE.]

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1710, A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete lines 2 to 8, and insert:

"Subd. 2. [DISPLAY.] (a) It is unlawful for any person commercially and knowingly to exhibit or display any material which is harmful to minors in its content in any place of public accommodation where minors are or may be present and where minors are able to view the material unless each item is kept in a sealed wrapper at all times.

(b) It is unlawful for any person commercially and knowingly to exhibit or display any material the cover or packaging of which, standing alone, is harmful to minors in any place of public accommodation where minors are or may be present or allowed to be present and where minors are able to view the material unless each item is blocked from view by an opaque cover. The opaque cover requirement is satisfied if those portions of the cover or packaging containing the material harmful to minors are blocked from view by an opaque cover.

(c) The provisions of this subdivision do not apply to the exhibition or display of materials harmful to minors under circumstances where minors are not present or are not able to view the material or the material's cover or packaging. A person may comply with the requirements of this paragraph by (1) physically segregating the material in a manner that physically prohibits access to and view of the material by minors, (2) prominently posting at the entrance to the restricted area: "Adults only—you must be 18 to enter," and (3) enforcing the restriction."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1748, A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1772, A bill for an act relating to human services; allowing continued hospitalization for a person on a ventilator who has been hospitalized for 30 years; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256B.31] [CONTINUED HOSPITAL CARE FOR LONG-TERM POLIO PATIENT.]

Notwithstanding any law to the contrary, a medical assistance recipient who has been a polio patient in an acute care hospital for a period of not less than 25 consecutive years is eligible to continue receiving hospital care, whether or not the care is medically necessary for purposes of federal reimbursement.

The cost of continued hospital care not reimbursable by the federal government shall be paid with state funds allocated for the medical assistance program. The rate paid to the hospital shall be the rate per day established using Medicare principles for the hospital's fiscal year ending December 31, 1981, adjusted each year by the annual hospital cost index established under section 256.969, subdivision 1, or by other limits in effect at the time of the adjustment. This section does not prohibit a voluntary move to another living arrangement by a recipient whose care is reimbursed under this section.

Delete the title and insert:

"A bill for an act relating to human services; allowing continued hospital care for long-term polio patients; providing for payment from state funds; proposing coding for new law in Minnesota Statutes, chapter 256B."

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1784, A bill for an act relating to health; allowing certified nurse-midwives to prescribe and administer certain drugs; amending Minnesota Statutes 1986, sections 148.171; and 151.01, subdivision 23.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 148.171, is amended to read:

148.171 [DEFINITIONS.]

As used in sections 148.171 to 148.285:

(1) The term "Board" shall mean Minnesota board of nursing.

(2) The term "Registered Nurse" abbreviated R.N., shall mean a natural person licensed by the Minnesota board of nursing to practice professional nursing.

(3) The practice of professional nursing means the performance for compensation or personal profit of the professional interpersonal service of: (a) providing a nursing assessment of the actual or potential health needs of individuals, families, or communities; (b) providing nursing care supportive to or restorative of life by functions such as skilled ministrations of nursing care, supervising and teaching nursing personnel, health teaching and counseling, case finding and referral to other health resources; and (c) evaluating these actions.

The practice of professional nursing includes both independent nursing functions and delegated medical functions which may be performed in collaboration with other health team members, or may be delegated by the professional nurse to other nursing personnel. Independent nursing function may also be performed autonomously. The practice of professional nursing requires that level of special education, knowledge, and skill ordinarily expected of an individual who has completed an approved professional nursing education program as described in section 148.211, subdivision 1. A registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives and who is certified through the national professional nursing organization for nurse-midwives may prescribe and administer drugs and therapeutic devices within practice as a nurse-midwife.

Sec. 2. Minnesota Statutes 1986, section 151.37, subdivision 2, is amended to read:

Subd. 2. A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, ~~or~~ may cause the same to be administered by a nurse or intern under the practitioner's direction and supervision, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 3. Minnesota Statutes 1986, section 152.12, subdivision 1, is amended to read:

Subdivision 1. A licensed doctor of medicine, a doctor of osteopathy, duly licensed to practice medicine, a doctor of dental surgery, or a doctor of dental medicine, or a licensed doctor of podiatry, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, ~~or~~ may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, subdivision 1.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 15, after the comma insert “rural and urban fire code inspectors,”

Page 2, line 25, delete “E, Division 3” and insert “R”

Page 2, line 26, delete “does not apply” and insert “applies”

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

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 373.25, subdivision 1, is amended to read:

Subdivision 1. The county board of any county ~~except Hennepin and St. Louis counties~~ may provide a county building fund. In addition to all other kinds and amounts of taxes permitted by law to be levied for county purposes, the county board may include in its annual tax levy an amount for the county building fund. Its proceeds shall be credited to the county building fund. A county building fund established pursuant to this section to which a tax is credited may be used by the county solely to acquire, construct, reconstruct, maintain and repair buildings used in the administration of county affairs and to acquire lands necessary for those purposes.

Sec. 2. [373.40] [CAPITAL IMPROVEMENT BONDS.]

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, and roads and bridges. An improvement must have an expected useful life of three years or more to qualify.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "County" excludes any county exercising home rule charter powers under a special or general law.

(e) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(f) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census;

(2) a special census conducted under contract by the United States Bureau of the Census; or

(3) a population estimate made either by the metropolitan council or by the state demographer under section 116K.04, subdivision 4, clause (10).

(g) "Taxable assessed value" means total taxable assessed value but does not include captured assessed value.

Subd. 2. [APPLICATION OF ELECTION REQUIREMENT.] (a) Bonds issued by a county to finance capital improvements under an approved capital improvement plan are not subject to the election requirements of section 375.18 or 475.58. The bonds must be approved by vote of at least three-fifths of the members of the county board. In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.

(b) Before each issuance of bonds qualifying under this section, the county must publish a notice of its intention to issue the bonds and the date and time of a hearing to obtain public comment on the matter. The notice must be published in the official newspaper of the county or in a newspaper of general circulation in the county. The notice must be published at least 14, but not more than 28, days before the date of the hearing.

(c) A county may issue the bonds only upon obtaining the approval of a majority of the voters voting on the question of issuing the obligations, if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the county in the last general election and is filed with the county auditor within 30 days after the public hearing. The commissioner of revenue shall prepare a suggested form of the question to be presented at the election. The provisions of this paragraph do not apply to metropolitan counties.

Subd. 3. [CAPITAL IMPROVEMENT PLAN.] (a) A county may adopt a capital improvement plan. The plan must cover at least the five-year period beginning with the date of its adoption. The plan must set forth the estimated schedule, timing, and details of specific capital improvements by year, together with the estimated cost, the need for the improvement, and sources of revenues to pay for the improvement. In preparing the capital improvement plan, the county board must consider for each project and for the overall plan:

(1) the condition of the county's existing infrastructure, including the projected need for repair or replacement;

(2) the likely demand for the improvement;

- (3) the estimated cost of the improvement;
- (4) the available public resources;
- (5) the level of overlapping debt in the county;
- (6) the relative benefits and costs of alternative uses of the funds;
- (7) operating costs of the proposed improvements; and
- (8) alternatives for providing services more efficiently through shared facilities with other counties or local government units.

(b) The capital improvement plan and annual amendments to it must be approved by the county board after public hearing. The capital improvement plan and any amendments to the plan are not effective until they have been reviewed and approved by the commissioner. The commissioner shall approve the plan, if the commissioner determines that (1) the improvements can be financed within the limits specified in subdivision 4, and (2) that the improvements are compatible with the projected public service needs of the area and the capital facilities and improvement plans of surrounding and overlapping jurisdictions. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved.

Subd. 4. [LIMITATIONS ON AMOUNT.] A county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed one mill multiplied by the taxable assessed value of property in the county. Calculation of the limit must be made using the taxable assessed value for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Subd. 5. [APPLICATION OF BOND CODE.] Bonds to finance capital improvements qualifying under this section must be issued under the issuance authority in chapter 475 and the provisions of chapter 475 apply, except as otherwise specifically provided in this section.

Subd. 6. [BUILDING FUND LEVY.] (a) If the county has an approved capital improvement plan, the county board may annually levy an amount equal to one mill, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Subd. 7. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of at least five members. The advisory committee shall advise the commissioner in developing standards for reviewing capital improvement plans. The commissioner may request the advisory committee to assist in evaluating individual capital improvement plans submitted by counties.

The committee's membership must include two representatives who are either county officials or employees, two experts in public capital budgeting and infrastructure planning, and one expert in municipal finance.

Members of the advisory committee receive no compensation but payment of their expenses must be made as provided in section 15.059, subdivision 6.

Subd. 8. [REPEALER.] This section is repealed effective for bonds issued after July 1, 1993, but continues to apply to bonds issued before that date.

Sec. 3. Minnesota Statutes 1986, section 475.52, subdivision 3, is amended to read:

Subd. 3. [COUNTIES.] Any county may issue bonds for the acquisition or betterment of courthouses, county administrative buildings, health or social service facilities, correctional facilities, law enforcement centers, jails, morgues, libraries, parks, and hospitals, for roads and bridges within the county or bordering thereon and for road equipment and machinery and for ambulances and related equipment, and capital equipment for the administration and conduct of elections providing the equipment is uniform county-wide except that the power of counties to issue bonds in connection with a library shall not exist in Hennepin county.

Sec. 4. Minnesota Statutes 1986, section 475.58, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY MAJORITY OF ELECTORS; EXCEPTIONS.] Obligations authorized by law or charter may be

issued by any municipality upon obtaining the approval of a majority of the electors voting on the question of issuing the obligations, but an election shall not be required to authorize obligations issued:

- (1) to pay any unpaid judgment against the municipality;
- (2) for refunding obligations;
- (3) for an improvement, which obligation is payable wholly or partly from the proceeds of special assessments levied upon property specially benefited by the improvement, or of taxes levied upon the increased value of property within a district for the development of which the improvement is undertaken, including obligations which are the general obligations of the municipality, if the municipality is entitled to reimbursement in whole or in part from the proceeds of such special assessments or taxes and not less than 20 percent of the cost of the improvement is to be assessed against benefited property or is estimated to be received from such taxes within the district;
- (4) payable wholly from the income of revenue producing conveniences;
- (5) under the provisions of a home rule charter which permits the issuance of obligations of the municipality without election;
- (6) under the provisions of a law which permits the issuance of obligations of a municipality without an election; and
- (7) to fund pension or retirement fund liabilities pursuant to section 475.52, subdivision 6; and
- (8) under a capital improvement plan under section 2.

Sec. 5. [BONDING AUTHORITY; HENNEPIN COUNTY MEDICAL BUILDING.]

Hennepin county may issue and sell not more than \$16,000,000 of general obligation bonds to finance or refinance the construction and purchase of the Hennepin county health services building. Issuance of the obligations is not subject to the election requirements of Minnesota Statutes, section 475.58. The obligations issued under this section and the property taxes levied to pay the obligations must be included in calculation of Hennepin county's bond and building fund levy limitations under section 2.

Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective upon compliance by the Hennepin county board with Minnesota Statutes, section 645.021.

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5, and by adding a subdivision; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 17, strike the second "and" and insert "Notwithstanding any provision of chapter 16B, the board shall"

Page 2, line 26, delete "reasonable"

Page 2, lines 28 and 29, delete the new language and reinstate the stricken language

Page 3, delete lines 7 to 16

Page 3, line 28, strike everything after "by"

Page 3, strike lines 29 and 30, and insert "the board under section 237.51, subdivision 5."

Page 3, line 35, after "devices" insert "until the warranty period expires,"

Page 4, line 26, delete "9" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete ", and by adding a subdivision"

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1815, A bill for an act relating to economic development; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 7, and by adding a subdivision; 469.175, by adding a subdivision; and 469.176, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116J.990] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this subdivision apply to sections 1 to 4. The definitions in section 115B.02 that are not defined in this subdivision apply to sections 1 to 4.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of trade and economic development.

Subd. 3. [DEVELOPMENT RESPONSE ACTION PLAN.] “Development response action plan” means a plan of removal actions or remedial actions developed in accordance with section 4.

Subd. 4. [HAZARDOUS SUBSTANCE LOAN OR LOAN.] “Hazardous substance loan” or “loan” means a loan to a municipality to be used by the municipality for the purposes in section 3, subdivision 3, paragraph (b), clause (2).

Subd. 5. [HAZARDOUS SUBSTANCE LOAN FUND OR FUND.] “Hazardous substance loan fund” or “fund” means the fund created by section 2 and the accounts in the fund, established to finance hazardous substance loans.

Subd. 6. [MUNICIPALITY.] “Municipality” means a home rule charter or statutory city, town, county, school district, special taxing district, housing and redevelopment authority authorized to exercise powers under sections 469.001 to 469.047, port authority authorized to exercise powers under sections 469.048 to 469.089, economic development authority authorized to exercise powers under sections 469.090 to 469.108, or a municipal power agency governed by chapter 453.

Sec. 2. [116J.991] [HAZARDOUS SUBSTANCE LOAN FUND.]

A hazardous substance loan fund is created to be administered by the commissioner. Money in the hazardous substance loan fund shall be used to make or purchase hazardous substance loans and pay the costs incurred making or purchasing hazardous substance loans as provided in section 3.

Sec. 3. [116J.992] [HAZARDOUS SUBSTANCE LOANS.]

Subdivision 1. [AUTHORIZATION.] The commissioner shall make or purchase hazardous substance loans with money in the hazardous substance loan fund.

Subd. 2. [LOAN REPAYMENT OBLIGATION.] A municipality's obligation to repay a hazardous substance loan shall be evidenced by a loan agreement. Loan repayment obligations shall be payable solely from amounts pledged to the purpose pursuant to the loan agreement. Payments to be made by the municipality pursuant to the loan agreement may be less than, equal to, or in excess of the principal amount of the loan. The loan may be interest free or may bear interest as the commissioner shall determine based on the available sources of payment as specified in this section.

Subd. 3. [LOAN APPLICATION.] (a) To obtain a hazardous substance loan, a municipality shall submit an application to the commissioner on a form provided for that purpose. The application shall identify the municipality and the proposed uses of the proceeds of the hazardous substance loan and any interest to be earned on it, the proposed sources, amounts, and schedule of repayment of the loan, the property proposed to be benefited by the loan, and the proposed development or redevelopment activities to be undertaken on the property subsequent to the removal actions and remedial actions.

(b) The municipality shall certify on the application that:

(1) the municipality has a development response action plan with respect to the subject property;

(2) the proceeds of the hazardous substance loan will be used to pay or reimburse the costs of removal actions or remedial actions with respect to hazardous substances or pollutants or contaminants affecting or which may affect land owned or to be purchased by the municipality, and for pollution testing, demolition, soil compaction correction, and related administrative and legal costs;

(3) the removal or remedial actions specified in the development response action plan have been approved by the commissioner of the

pollution control agency as reasonable and necessary to protect the public health, welfare, and environment;

(4) after completion of the removal actions or remedial actions specified in the development response action plan, the land will be, or is expected to be, developed or redeveloped by a nongovernmental person or persons;

(5) the cost of the remedial or removal actions required by the development response action plan is so high as to render development or redevelopment of the parcel not feasible in the opinion of the municipality without a hazardous substance loan;

(6) the municipality shall certify if the municipality has entered into a binding agreement with a nongovernmental person or persons to develop or redevelop the land proposed to be benefited by the hazardous substance loan;

(7) the municipality shall certify if it has previously received a hazardous substance loan for the property and in the course of carrying out the development response action plan has determined that removal or remedial actions are required to be taken in addition to those specified in the development response action plan; and

(8) the municipality must show that the commissioner of the pollution control agency has reviewed and approved the development response action plan as modified by the additional removal or remedial actions taken under clause (7).

Subd. 4. [LOAN PRIORITY AND RESTRICTIONS.] (a) Loans may not be made for more than \$5,000,000 for one site.

(b) Hazardous substance loans shall be made to applicants monthly in chronological order of application. If the commissioner determines that there are insufficient amounts in the hazardous substance loan fund to make all hazardous substance loans applied for, preference shall be given first to applicants that have made the certification described in subdivision 3, paragraph (b), clauses (7) and (8), second to applicants that have made the certification described in subdivision 3, paragraph (b), clause (6), and in chronological order among applicants of a given priority.

(c) Hazardous substance loans may not be made for a site for which removal actions or remedial actions are scheduled by the pollution control agency to be initially funded during the current or next succeeding fiscal year pursuant to the Environmental Response, Compensation and Liability Act of 1988, United States Code, title 42, section 9601 et seq., or the environmental response, compensation and compliance fund under section 115B.20, or other

state funding source without the consent of the pollution control agency.

Subd. 5. [LOAN APPROVAL.] (a) Upon approval of a loan, the commissioner shall notify the municipality that the loan will be made and set aside the amount approved in a special account. The notice shall state the principal amount of the loan and that the loan will be made when all the terms for making and repaying the loan have been agreed upon by the agency and the municipality.

(b) The municipality may borrow from the fund under the same terms that it may issue bonds or other obligations pursuant to any law applicable to the municipality that is consistent with this section.

(c) The loan shall be evidenced by instruments prepared in accordance with this section and the law under which the municipality proposes to issue its obligation.

(d) The loan shall be repaid solely from the sources specifically pledged to repay the municipality's obligation and which are permitted to be pledged to repay the obligation under the law that the obligation is issued.

(e) Notwithstanding the law that the obligation of the municipality is issued, the obligation may:

(1) be issued in one or more series;

(2) have a maturity date or dates;

(3) bear no interest or bear interest at a rate or rates;

(4) be in the form;

(5) be subject to terms of redemption and prepayment;

(6) be secured in the manner;

(7) provide for recourse and remedies against the municipality;
and

(8) be subject to other terms and conditions as are agreed to by the agency and the municipality.

(f) Amounts to be pledged may include only tax increment and land sale proceeds from the site with respect to which the loan is being made. Amounts shall not be required to be pledged from those sources if, to the extent stated in the application, they are pledged or required to be pledged to retire other obligations described in the

application and incurred or to be incurred to finance a portion of costs of the type eligible for financing under this section or for acquisition of real property and existing improvement, relocation assistance, and expenditures related to the site.

Subd. 6. [RECAPTURE OF COSTS.] A municipality that has received a loan under this section shall use reasonable and practicable measures to recapture the reasonable and necessary costs of remedial action from responsible parties unless recovery is deemed by the municipality to be unlikely due to inability to locate responsible persons, the high cost of pursuing remedies in relation to any likely recovery or the financial capacity of responsible persons. After provision for costs of collection, the municipality shall apply all amounts recaptured from responsible parties to repay the obligations owed under the loan agreement. The municipality may elect not to pursue a responsible party if the municipality assigns the claim to the commissioner.

Subd. 7. [ACCOUNTING OF COSTS.] Upon completion of the development response action plan, the municipality shall submit an accounting of costs incurred to the commissioner, together with any unexpended loan proceeds, including any unexpended investment earnings on proceeds, which shall be applied to the payment of the obligations under the loan agreement.

Subd. 8. [RULES.] The commissioner may adopt permanent rules to implement this section.

Sec. 4. [116J.993] [DEVELOPMENT RESPONSE ACTION PLAN.]

(a) For purposes of section 3, removal actions or remedial actions constitute a development response action plan if the actions are:

(1) requested by the commissioner of the pollution control agency pursuant to section 115B.17 or 115C.03;

(2) contained in a plan to render care, assistance, or advice to the commissioner of the pollution control agency or the pollution control agency pursuant to section 115B.17 with respect to a release or threatened release of a hazardous substance; or

(3) specified in a request by the municipality for the assistance of the pollution control agency through the environmental response and liability act under sections 115B.01 to 115B.24 or the underground storage tank program under chapter 115C.

(b) The actions specified in the development response action plan are deemed authorized as provided in section 115B.17, subdivision 12.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL ASSESSED VALUE.] (a) "Original assessed value" means the assessed value of all taxable real property within a tax increment financing district as most recently certified by the commissioner of revenue as of the date of the request by an authority for certification by the county auditor, together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original assessed value the assessed value of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the assessed value of the property shall be the assessed value as most recently determined by the commissioner of revenue.

(b) The original assessed value of any designated hazardous substance site or hazardous substance subdistrict on January 2 following the date the agency or municipality certifies to the county auditor that:

(1) a loan has been made to the municipality or the agency pursuant to section 3; or

(2) the agency or municipality has entered a redevelopment or other agreement for the removal or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan; shall be equal to the assessed value of the parcel, as most recently determined by the commissioner of revenue, less the reasonable and necessary costs of the removal actions and remedial actions to be undertaken with respect to the parcel as certified to the county auditor by the municipality or agency but not less than zero.

(c) The original assessed value shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (1), upon repayment in full of the hazardous substance loan made pursuant to section 3, if any, or paragraph (b), clause (2), if the loan has not been made, upon certification by the municipality that the costs of the removal actions and remedial actions have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly-owned property.

(e) The terms "removal," "remedial," "action," "hazardous substance," and "pollutant or contaminant" have the meanings assigned by section 115B.02. The term "development response action plan" has the meaning given by section 1.

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.174, is amended by adding a subdivision to read:

Subd. 16. [DESIGNATED HAZARDOUS SUBSTANCE SITE.] "Designated hazardous substance site" means: (1) any parcel or parcels benefitted by a loan made to the municipality or the authority pursuant to section 3, or (2) any parcel or parcels with respect to which the authority or municipality has certified to the county auditor that the authority or municipality has entered into a redevelopment or other agreement providing for, or otherwise has available to it, funds including, without limitation, tax increment which would be made available pursuant to section 469.175, subdivision 1, to finance the removal or remedial actions specified in a development response action plan.

Sec. 7. Minnesota Statutes 1987 Supplement, section 469.175, is amended by adding a subdivision to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict shall be made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality shall make the findings under paragraphs (b) to (d), and shall set forth in writing the reasons and supporting facts for each.

(b) The proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

Sec. 8. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (f), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original assessed value of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority from a redevelopment district after 25 years from date of receipt by the authority of the first tax increment, after 25 years from the date of the receipt for a housing district, after 25 years from the date of the receipt for a mined underground space development district, and after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after 30 years from August 1, 1979.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment shall begin on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the loan or certification and received after the earlier of: (i) the date of a loan made to the municipality or authority pursuant to section 3; or (ii) the date of certification to the county auditor described in section 469.174, subdivision 16, clause (b). The extended period for collection of tax increment shall be the lesser of: (i) 25 years from the date of commencement of the extended period; or (ii) the period necessary to recover the costs of removal or remedial actions specified in a development response action plan.

Sec. 9. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 5, is amended to read:

Subd. 5. [REQUIREMENT FOR AGREEMENTS.] No more than 25 percent, by acreage, of the property to be acquired within a project which contains a redevelopment district, or ten percent, by acreage, of the property to be acquired within a project which contains a housing or economic development district, as set forth in the tax increment financing plan, shall at any time be owned by an authority as a result of acquisition with the proceeds of bonds issued pursuant to section 469.178 unless prior to acquisition in excess of the percentages, the authority has concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the authority should the development or redevelopment not be completed. This subdivision does not apply to a parcel of a district that is a designated hazardous substance site or part of a hazardous substance subdistrict.

Sec. 10. [APPROPRIATION.]

\$ is appropriated from the state building fund to the commissioner of trade and economic development for the purpose of making or purchasing hazardous substance loans, as defined in section 3. Funds deposited in the hazardous substance loan fund from loan repayments provided in section 3 are appropriated to the commissioner of trade and economic development for the purpose of making or purchasing hazardous substance loans. This appropriation is available until expended.

\$ is appropriated from the general fund to the commissioner of the pollution control agency for the purposes specified in section 3.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1847, A bill for an act relating to health; establishing a program to test infants for hemoglobinopathy; appropriating money; amending Minnesota Statutes 1986, section 144.125.

Reported the same back with the following amendments:

Page 2, line 9, after "1989" insert "and the complement of the department of health is increased by 1½ positions"

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1864, A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Reported the same back with the following amendments:

Page 2, line 11, before the period insert "and applies to certificates of indebtedness issued in anticipation of taxes for the 1988 and 1989 tax levy only, for taxes payable in 1989 and 1990 only"

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

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1865, A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic

development authority; giving the town of White Bear the powers of a city with respect to the authority.

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1876, A bill for an act relating to state services for the blind and visually handicapped; clarifying the relationship between federal and state laws regarding supervision of vending stands; clarifying utilization of receipts in the revolving fund; providing that certain department of jobs and training data be classified as public data; regulating the disposition of certain reimbursements received by the commissioner of jobs and training; amending Minnesota Statutes 1986, sections 13.791, subdivision 1; and 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; repealing Minnesota Statutes 1986, section 136.26.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, line 24, delete "4" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7

Page 1, line 8, delete "data;"

Page 1, line 11, delete "sections 13.791, subdivision 1; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1887, A bill for an act relating to hospitals; requiring prompt payment; establishing rates for small hospitals; requiring interim payments to hospitals; amending Minnesota Statutes 1986, sections 16A.124, subdivision 4, and by adding a subdivision; and 256.969, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3, is amended to read:

Subd. 3. [SPECIAL CONSIDERATIONS.] (a) In determining the rate the commissioner of human services will take into consideration whether the following circumstances exist:

(1) minimal medical assistance and general assistance medical care utilization;

(2) unusual length of stay experience; and

(3) disproportionate numbers of low-income patients served.

(b) To the extent of available appropriations, the commissioner shall provide supplemental grants directly to a hospital described in section 256B.031, subdivision 10, paragraph (a), that receives medical assistance payments through a county-managed health plan that serves only residents of the county. The payments must be designed to compensate for actuarially demonstrated higher health care costs within the county, for the population served by the plan, that are not reflected in the plan's rates under section 256B.031, subdivision 4.

(c) The commissioner shall establish procedures to analyze and correct problems associated with hospital inpatient and outpatient claims preparation and processing. At a minimum, the commissioner shall:

(1) designate a full-time equivalent position as a liaison between the department of human services and hospitals;

(2) analyze impediments to timely processing of claims, provide information and consultation to hospitals and develop methods to resolve or reduce problems;

(3) provide to each hospital a quarterly listing of claims received, and the dates they were received, and identify those claims that have been rejected, suspended, or are otherwise pending and the reason that the claims were rejected or suspended;

(4) provide education and information on reasons for rejection and suspension of claims and identify methods that would avoid multiple submissions of claims; and

(5) identify and prioritize claims that are in jeopardy of exceeding time factors which eliminate payment.

(d) For inpatient hospital services provided from July 1, 1988, to June 30, 1989, hospitals with fewer than 100 medical assistance discharges during the most recent hospital fiscal year for which figures are available, excluding Medicare cross-overs, that were paid for services provided during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased .. percent. Hospitals with more than 100 but fewer than 250 medical assistance discharges during the most recent hospital fiscal year for which figures are available, excluding Medicare cross-overs, that were paid for services provided during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased .. percent for inpatient hospital services provided from July 1, 1988 to June 30, 1989. This provision applies only to hospitals which have 100 or fewer licensed beds.

(e) Hospitals with fewer than 250 medical assistance discharges during the most recent hospital fiscal year for which figures are available shall be reimbursed for day outliers at one standard deviation and at an 80 percent payment difference. The categorical rate per admission and the relative value of diagnostic categories will not be recalculated to accomplish this payment adjustment. This provision applies only to hospitals which have 100 or fewer licensed beds.

Sec. 2. [APPROPRIATION.]

\$. is appropriated to the commissioner of human services to implement the provisions of section 1."

Delete the title and insert:

"A bill for an act relating to hospitals; requiring commissioner to analyze claims; increasing payment rates for small hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3."

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1889, A bill for an act relating to human services; providing for the eligibility for and calculation of general assistance and AFCD grants; amending Minnesota Statutes 1986, sections 256.73, subdivisions 2 and 6; 256.76, subdivision 1; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; and 256D.07; Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1a; and 256D.06, subdivision 1.

Reported the same back with the following amendments:

Page 4, after line 4, insert:

"Sec. 3. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 4, line 5, delete "7" and insert "8"

Page 4, line 14, delete everything after the period

Page 4, delete lines 15 and 16

Page 4, line 17, delete "is less." and insert "For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's total income after deducting work expenses as allowed under section 256.74, subdivision 1, clauses (3) and (4), equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting allowable work expenses must equal at least 99 percent of the standard of need. Notwithstanding the preceding sentence, beginning on the date on which the commissioner implements a computerized client eligibility and information system in one or more counties, all local agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error."

Page 4, after line 30, insert:

"Sec. 4. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 4, line 31, delete "8" and insert "9"

Page 4, after line 33, insert:

“Sec. 5. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:”

Page 4, line 34, delete “9” and insert “10”

Page 5, after line 2, insert:

“Sec. 6. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:”

Page 5, line 3, delete “10” and insert “11”

Page 5, line 12, after the period insert “A decision on an application for assistance shall be made as promptly as possible and no more than 30 days after the date of application.”

Page 11, line 4, reinstate everything after the stricken “and”

Page 11, lines 5 and 6, reinstate the stricken language and insert a period

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, delete “AFCD” and insert “AFDC”

Page 1, line 5, after “6” insert “, and by adding subdivisions”

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1891, A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; providing for implementation of the food stamp employment and training program; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 256.736, subdivisions 1b and 4.

Reported the same back with the following amendments:

Page 3, line 28, after "attending" insert "or not enrolling in"

Page 4, after line 12, insert:

"(7) Good cause exists when the minor parent or the minor parent's child has a medical appointment, an appointment with the local welfare agency, or is required to appear in court during the minor parent's normal school hours, or any other obligation consistent with the case management contract."

Page 8, after line 12, insert:

"Sec. 6. Minnesota Statutes 1987 Supplement; section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall:

(1) Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will support the caretaker's family. The case manager must work with the caretaker in completing this task;

(2) Set goals and develop a timetable for completing education and employment goals. The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker must be to complete literacy training or a general education diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general education diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided;

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents, and pregnant minors the case manager shall:

(1) Ensure that the contract developed under paragraph (a)(4) considers all factors set forth in section 257.33, subdivision 2; ~~and~~

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents who are not living with friends or relatives to live in a group home or foster care setting. If minor parents are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess the minor parent's need for training in parenting and independent living skills and shall refer appropriate minor parents to available counseling programs designed to teach needed skills; and

(3) Inform the minor parent and his or her parent and assist the minor parent in evaluating the appropriateness of the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment related and community based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 7. [256.925] [VOTER REGISTRATION FOR PUBLIC ASSISTANCE APPLICANTS AND RECIPIENTS.]

A county agency shall provide voter registration cards to every individual who applies for a public assistance program at the time application is made. The agency shall also make voter registration cards available to a public assistance recipient upon the recipient's request or at the time of the recipient's eligibility redetermination.

The county agency shall assist applicants and recipients in completing the voter registration cards, as needed. Completed forms shall be collected by agency employees and submitted to proper election officials.

Sec. 8. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given.

(a) "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, or in the child's home.

(b) "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

(c) "Commissioner" means the commissioner of human services.

(d) "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

(e) "County board" means the board of county commissioners in each county.

(f) "Education program" means remedial or basic education or English as a second language instruction, high school education, a program leading to a general equivalency diploma, and post-secondary education excluding post-baccalaureate programs.

(g) "Employment program" means employment of recipients financially eligible for the child care sliding fee program, vocational assessment, and job readiness and job search activities.

(h) "Family" means parents, stepparents, guardians, or other caretaker relatives, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and the child. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians, or other caregiver relatives residing in the same household.

(i) "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

(j) "Income" means earned or unearned income received by all family members 16 years or older, including public assistance benefits, unless specifically excluded. The following are excluded from income: scholarships and grants that cover costs for tuition, fees, books, and educational supplies; student loans for tuition fees, books, supplies, and living expenses; in-kind income such as food stamps, energy assistance, medical assistance, and housing subsidies; income from summer or part-time employment of 16, 17, and 18 year old full-time secondary school students; and nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid.

(k) "Provider" means the child care license holder or the legal nonlicensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or who functions in the child's home.

(l) "Post-secondary educational systems" means the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education.

(m) "AFDC priority groups" means the recipients defined in section 256.736, subdivision 2a.

(n) "AFDC" means aid to families with dependent children.

Sec. 9. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3b, is amended to read:

Subd. 3b. [SET-ASIDE MONEY FOR AFDC PRIORITY GROUPS.] (a) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months. For each fiscal year the average monthly caseload shall be based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups and for former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) are on a waiting list for the basic sliding fee program.

(b) The county shall develop cooperative agreements with the

employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(c) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(e) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (1). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3c, is amended to read:

Subd. 3c. [SET-ASIDE MONEY FOR AFDC POST-SECONDARY STUDENTS.] (a) For the fiscal year ending June 30, 1988, set-aside money for persons listed in subdivision 3a, clause (2), shall be allocated to the counties based on caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner. For succeeding fiscal years, the commissioner shall, in cooperation with the director of the higher education coordinating board, develop a formula for allocation of the funds to counties based on the number of AFDC caretakers in each county who are enrolled at post-secondary institutions.

(b) Money allocated in paragraph (a) must be used for child care expenses of AFDC recipients attending post-secondary educational programs, excluding post-baccalaureate programs, and making satisfactory progress towards completion of the program.

(c) Once each quarter the commissioner shall review the use of child care fund allocations under this subdivision by county. The commissioner may reallocate unexpended or unencumbered money among those counties that have expended their full portion for the purposes of this subdivision.

(d) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (2). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

(e) Recipients of AFDC who have completed their post-secondary education and had received child care funds during that education shall be assured, to the extent of available resources allocations, of sliding fee money for employment programs after graduation if they meet sliding fee program eligibility standards.

Sec. 11. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3e, is amended to read:

Subd. 3e. [USE OF MONEY.] Money for persons listed in subdivision 3a, clauses (2) and (3), shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. The county may plan for and provided child care assistance to persons listed in subdivision 3a, clauses (2) and (3), from the regular sliding fee fund to supplement the set-aside funds. Financially eligible students provided who have received child care assistance for one academic year shall be provided child care assistance in the following academic year, providing they remain financially eligible if funds allocated under subdivision 3c or 3d are available.

Sec. 12. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

- (1) receive aid to families with dependent children;
- (2) have household income below the eligibility levels for aid to families with dependent children; or
- (3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children.

program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. If a county maintains a waiting list of applicants for the sliding fee program, it shall place at the top of the list former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) have been employed for 12 months and, during the 12 months, have had their child care needs paid for out of the set-aside money for AFDC priority groups. Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

(e) Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, whichever provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 13. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 12, is amended to read:

Subd. 12. [FAIR HEARING PROCESS.] (a) Applicants and recipients have the option to request the county to conduct a conciliation conference to attempt to resolve complaints arising from any of the following actions:

- (1) a determination of ineligibility for child care assistance;
- (2) unauthorized termination of child care assistance;
- (3) determination of the factors considered in setting the family fee; and
- (4) income redetermination resulting in change of a family fee.

(b) The county shall notify the applicant or the recipient, in writing, of any adverse action. The determination described in paragraph (a), clauses (1) and (3), must include written notice of the applicant's or recipient's right to the election described in paragraph (c), where and how to request the election, the time limit within which to make the request, and the reasons for the determination. Notice of the proposed actions described in paragraph (a), clauses (2) and (4), must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county proposes to take, the effective date of the proposed action, the reasons for the proposed action, the necessary corrective measures, the option to request either a conciliation conference or an administrative hearing, where and how to make the request, the time limits within which a request must be made, and the consequence of the action.

(c) An applicant or recipient who receives a determination or notice of proposed action under paragraph (b) must mail or deliver either a written notice of request for a conciliation conference to the administering agency or a written notice of request for the hearing specified under paragraph (c) to the administering agency on or before the effective date of the proposed action or the date specified in the notice, or the action will be final.

(d) The county shall provide a conciliation conference within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the conference date. The applicant or recipient and the county's representative have the right to appear, to bring witnesses, and to submit documentation. The written request and the resolution, if any, of the conference shall be maintained as part of the official record. The county's representative shall issue a written resolution only if mutual agreement is reached between the county's representative and the applicant or recipient. The resolution must be signed by both parties and issued the same day as the conciliation conference is held. Participating in a conciliation conference or signing a resolution does not constitute a waiver of the right to an administrative hearing.

An applicant or recipient may, within 15 calendar days of the

conference, mail or deliver a written request to the administering agency for an administrative hearing. Unless an appeal is requested, a determination, proposed action, or resolution of a conciliation conference will be final after the 15-day period has passed.

(c) A fair hearing shall be conducted in the manner prescribed by section 268.10, subdivision 3. A right to review will be provided in accordance with section 268.10, subdivision 5. The proposed action will not take effect until the appeal is decided by the administrative hearing process.

(a) An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045, subdivision 3.

(b) The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and shall in no way delay or replace the right to a fair hearing.

Page 8, after line 16, insert:

“Sec. 15. [EFFECTIVE DATE.]

Sections 9 and 12 are effective July 1, 1988.”

Renumber the sections in sequence

Delete the title and insert:

“A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; providing for implementation of the food stamp employment and training program; providing definitions of family and income for purposes of the sliding fee program; regulating the use of and waiting list for AFDC priority group child care assistance money; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.736, subdivisions 1b, 4, and 11; 268.91, subdivisions 1, 3b, 3c, 3e, 4, and 12; proposing coding for new law in Minnesota Statutes, chapter 256.”

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1927, A bill for an act relating to medical assistance; establishing a case management pilot project; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 14, delete everything after the period and insert "The primary goals of the pilot project are to:

(1) assure quality of care by emphasizing improved continuity of care, illness, prevention, and maintenance of health; and

(2) reduce medical assistance expenditures by coordinating health care services to avoid duplicative or unnecessary services."

Page 1, delete lines 15 to 17

Page 2, line 9, delete "Hennepin county" and insert "a county contained in a standard metropolitan statistical area in the state"

Page 2, line 10, delete "Aitkin, Carlton, Crow Wing, and" and insert "a county or grouping of counties not contained in a standard metropolitan statistical area in the state."

Page 2, delete line 11

Page 2, line 12, after "enrollee" insert "in a pilot project county"

Page 2, line 18, after "enrollment" insert "and approve the enrollee's use of emergency room services for a situation that is not life or limb threatening"

Page 2, line 24, after "rendered" insert "and refer the enrollee to another health care provider for a second opinion at the enrollee's request"

Page 3, line 2, delete the period and insert "; and"

Page 3, line 4, delete "; and" and insert a period

Page 3, delete lines 5 to 8

Page 3, line 16, after "community" insert "health"

Page 3, line 22, after the period insert "The enrollee may choose any pharmacy that is authorized to receive medical assistance reimbursement to fill prescriptions from the enrollee's case manager."

Page 3, line 29, delete "Aitkin, Carlton, Crow Wing, and Morrison as the rural" and insert "an urban county and a rural county in which eligible individuals may be enrolled in the pilot project."

Page 3, delete lines 30 and 31

Page 3, line 33, delete "county agencies of the urban and rural pilot" and insert "commissioner who shall cooperate with county agencies of the urban and rural pilot counties to facilitate enrollment of recipients and ensure minimum levels of physician participation."

Page 3, delete lines 34 and 35

Page 4, line 23, after "assignment," insert "the methods and circumstances under which an enrollee can change case managers."

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

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 1989, A bill for an act relating to education; creating a task force on child care in higher education.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TASK FORCE ON CHILD CARE IN HIGHER EDUCATION.]

Subdivision 1. [PURPOSE AND DUTIES.] A task force is established to determine the goals of child care in higher education, to study and select strategies and mechanisms for the state to use in achieving those goals, and to make recommendations to the legislature for short-range and long-range policy development.

Subd. 2. [MEMBERSHIP.] The task force shall be composed of 21 members appointed by the governor. There must be three members including a student, a faculty member, and an administrator from

each of these post-secondary systems: the University of Minnesota, state universities, community colleges, technical institutes, private colleges, and private proprietary schools. At least three of the student members must be parents of child care age children. Either the administrator or faculty member from each system must be involved in child care issues within that system. One representative each from the department of health, department of human services, and higher education coordinating board must also be appointed. The governor shall appoint the task force chair. The student advisory council and higher education advisory council may recommend members and a chair to the governor. The task force shall consult with representatives of family home-based child care, center-based child care, and organizations representing employees of post-secondary systems.

Subd. 3. [REPORT.] The task force shall submit a report to the higher education divisions of the senate education and finance committees and the higher education committee and appropriations division of the house of representatives on its activities, findings, and recommendations by January 15, 1989. The report of the task force shall address at least the following issues:

(1) the extent to which child care needs of students and post-secondary employees are currently being met and the need for new and expanded services;

(2) the implications that lack of child care have on access to post-secondary education;

(3) the extent to which the state should support a child care program;

(4) the short-term and long-term costs and benefits associated with the recommendations of the task force, including both operating and capital costs; and

(5) the unique or local needs of particular post-secondary institutions and systems.

Subd. 4. [FUNDING.] The task force may seek funding from nonstate sources to accomplish its tasks under subdivisions 1 to 3."

Delete the title and insert:

"A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2039, A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 260.311, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT; JOINT SERVICES; STATE SERVICES.] If a county or group of counties has established a human services board pursuant to chapter 402, the juvenile district court may appoint one or more county probation officers as necessary to perform court services, and the human services board shall appoint persons as necessary to provide correctional services within the authority granted in chapter 402. In all counties of more than 200,000 population, which have not organized pursuant to chapter 402, the juvenile district court shall appoint one or more persons of good character to serve as county probation officers during the pleasure of the court. All other counties shall provide probation services to county district courts in one of the following ways:

(1) the court, with the approval of the county boards, may appoint one or more salaried county probation officers to serve during the pleasure of the court;

(2) two or more county courts or county court districts when two or more counties offer probation services the district court through their the county boards may appoint common salaried county probation officers to serve in the several counties;

(3) a county or county court a district court may request the commissioner of corrections to furnish probation services to its county court or county court district in accordance with the provisions of this section, and the commissioner of corrections shall furnish such services to any county or county court district that fails to provide its own probation officer by one of the two procedures listed above;

(4) if a county or county court district court providing probation services under clause (1) or (2) asks the commissioner of corrections or the legislative body for the state of Minnesota mandates the commissioner of corrections to furnish probation services to the county district court, the probation officers and other employees

displaced by the changeover may shall be given preference in employment employed by the commissioner of corrections. If When employed by the commissioner, the employment, notwithstanding the provisions of other law to the contrary, is a transfer in grade with all of the benefits enjoyed by the employee while in the service of the county which do not exceed those provided for state civil service employees; the employees shall be considered permanent employees, provided they have completed six months employment in the county probation office where they have been employed.

The employees described in this clause transfer into the state correctional system with full credit for total years of service in the county probation department without reduction in salary. A transferred employee retains seniority accrued in the employee's position within the county probation department. A transferred employee retains sick leave and vacation benefits earned and accrued while employed in the county probation office to the extent the total benefits accrued do not exceed the maximum permissible accrual for comparable state civil service employees. Years of service in the county probation department are to be given full credit for future sick leave and vacation accrual purposes.

(5) all probation officers serving the juvenile courts on July 1, 1972 shall continue to serve in the county or counties they are now serving.

Sec. 2. Minnesota Statutes 1986, section 260.311, subdivision 2, is amended to read:

Subd. 2. [SUFFICIENCY OF SERVICES.] Probation services shall be sufficient in amount to meet the needs of the county district court in each county. County probation officers serving county district courts in all counties of not more than 200,000 population shall also, pursuant to subdivision 3, provide probation and parole services to wards of the commissioner of corrections resident in their counties. To provide these probation services counties containing a city of 10,000 or more population shall, as far as practicable, have one probation officer for not more than 35,000 population; in counties that do not contain a city of such size, the commissioner of corrections shall, after consultation with the chief judge of the county district court and the county commissioners and in the light of experience, establish probation districts to be served by one officer.

All probation officers appointed for any county district court or community corrections agency shall be selected from a list of eligible candidates who have minimally qualified according to the same or equivalent examining procedures as used by the commissioner of employee relations to certify eligibles to the commissioner of corrections in appointing parole agents, and the department of employee relations shall furnish the names of such candidates on request. This

subdivision shall not apply to a political subdivision having a civil service or merit system unless the subdivision elects to be covered by this subdivision.

Sec. 3. Minnesota Statutes 1986, section 260.311, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] All county probation officers serving ~~county courts~~ a district court shall act under the orders of the court in reference to any person committed to their care by the court, and in the performance of their duties shall have the general powers of a peace officer; and it shall be their duty to make such investigations with regard to any person as may be required by the court before, during, or after the trial or hearing, and to furnish to the court such information and assistance as may be required; to take charge of any person before, during or after trial or hearing when so directed by the court, and to keep such records and to make such reports to the court as the court may order.

All county probation officers serving ~~county courts~~ a district court shall, in addition, provide probation and parole services to wards of the commissioner of corrections resident in the counties they serve, and shall act under the orders of said commissioner of corrections in reference to any ward committed to their care by the commissioner of corrections.

All probation officers serving ~~county courts~~ a district court shall, under the direction of the authority having power to appoint them, initiate programs for the welfare of persons coming within the jurisdiction of the court to prevent delinquency and crime and to rehabilitate within the community persons who come within the jurisdiction of the court and are properly subject to efforts to accomplish prevention and rehabilitation. They shall, under the direction of the court, cooperate with all law enforcement agencies, schools, child welfare agencies of a public or private character, and other groups concerned with the prevention of crime and delinquency and the rehabilitation of persons convicted of crime and delinquency.

All probation officers serving ~~county courts~~ a district court shall make monthly and annual reports to the commissioner of corrections, on forms furnished by the commissioner, containing such information on number of cases cited to the juvenile division of district court, offenses, adjudications, dispositions, and related matters as may be required by the commissioner of corrections.

Sec. 4. Minnesota Statutes 1986, section 260.311, subdivision 5, is amended to read:

Subd. 5. [REIMBURSEMENT OF COUNTIES.] In order to reimburse the counties for the cost which they assume under this section

of providing probation and parole services to wards of the commissioner of corrections and to aid the counties in achieving the purposes of this section, the commissioner of corrections shall annually, from funds appropriated for that purpose, pay 50 percent of the costs of probation officers' salaries to all counties of not more than 200,000 population. Nothing in this section will invalidate any payments to counties made pursuant to this section before May 15, 1963. Salary costs include fringe benefits, but only to the extent that fringe benefits do not exceed those provided for state civil service employees. On or before July 1 of each even-numbered year each county or group of counties which provide their own probation services to the county district court under subdivision 1, clause (1) or (2) shall submit to the commissioner of corrections an estimate of its costs under this section. Reimbursement to those counties shall be made on the basis of the estimate or actual expenditures incurred, whichever is less. Reimbursement for those counties which obtain probation services from the commissioner of corrections pursuant to subdivision 1, clause (3), must be made on the basis of actual expenditures. Salary costs shall not be reimbursed unless county probation officers are paid salaries commensurate with the salaries paid to comparable positions in the classified service of the state civil service. The salary range to which each county probation officer is assigned shall be determined by the authority having power to appoint probation officers, and shall be based on the officer's length of service and performance. The appointing authority shall annually assign each county probation officer to a position on the salary scale commensurate with the officer's experience, tenure, and responsibilities. The judge shall file with the county auditor an order setting each county probation officer's salary. Time spent by a county probation officer as a court referee shall not qualify for reimbursement. Reimbursement shall be prorated if the appropriation is insufficient. A new position eligible for reimbursement under this section may not be added by a county without the written approval of the commissioner of corrections. When a new position is approved, the commissioner shall include the cost of the position in calculating each county's share.

Sec. 5. Minnesota Statutes 1986, section 401.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For the purposes of sections 401.01 to 401.16, the following terms shall have the meanings given them:

(b) "Commissioner" means the commissioner of corrections or a designee;

(c) "Conditional release" means parole, supervised release, work release as authorized by sections 241.26 and 244.065, and includes probation;

(d) "Joint board" means the board provided in section 471.59.;

(e) "Local correctional service" means those services authorized by and employees, officers, and agents appointed under section 260.311, subdivision 1.

Sec. 6. Minnesota Statutes 1986, section 401.04, is amended to read:

401.04 [ACQUISITION OF PROPERTY; SELECTION OF ADMINISTRATIVE STRUCTURE; EMPLOYEES.]

Any county or group of counties electing to come within the provisions of sections 401.01 to 401.16 may (a) acquire by any lawful means, including purchase, lease or transfer of custodial control, the lands, buildings and equipment necessary and incident to the accomplishment of the purposes of sections 401.01 to 401.16, (b) determine and establish the administrative structure best suited to the efficient administration and delivery of the correctional services described in section 401.01, and (c) employ a director and other officers, employees and agents as deemed necessary to carry out the provisions of sections 401.01 to 401.16. To the extent that participating counties shall assume and take over state and local correctional services presently provided in counties, employment shall be given to those state and local officers, employees and agents thus displaced; if hired by a county, employment shall, to the extent possible and notwithstanding the provisions of any other law or ordinance to the contrary, be deemed a transfer in grade with all of the benefits enjoyed by such officer, employee or agent while in the service of the state or local correctional service.

State or local employees displaced by county participation in the subsidy program provided by this chapter are on layoff status and, if not hired by a participating county as provided herein, may exercise their rights under layoff procedures established by law or union agreement whichever is applicable.

State or local officers and employees displaced by a county's participation in the community corrections act and hired by the participating county shall retain all fringe benefits and recall from layoff benefits accrued by seniority and enjoyed by them while in the service of the state.

Sec. 7. [EFFECTIVE DATE.]

Section 1, clause (4), is effective retroactive to January 1, 1987."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2040, A bill for an act relating to human services; authorizing grants for additional semi-independent living services; appropriating money; amending Minnesota Statutes 1986, section 252.275, by adding a subdivision.

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2056, A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2062, A bill for an act relating to human services; establishing a demonstration project; requiring an evaluation and report; appropriating money.

Reported the same back with the following amendments:

Page 2, line 4, delete "\$50,000" and insert "\$15,000".

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2080, A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the

mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 24, after "services" insert "carried out by patients or residents. To the extent that a qualified direct care employee of a regional treatment center is available, staff services required by the contract shall be provided by that direct care employee"

Page 7, line 17, delete the new language and insert "unless the commissioner determines the filming to be in the best interests of the ward. The commissioner may give written consent for filming of the ward after permitting and encouraging input by the nearest relative of the ward"

Page 7, line 18, delete the new language

Page 8, line 7, after the stricken language insert "by the commissioner or"

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Reported the same back with the following amendments:

Page 1, line 13, delete "nor matriculate into any post-secondary" and strike "school"

Page 1, line 21, strike "German measles or"

Page 1, line 22, before the semicolon insert "and which indicates the month, day, and year of each immunization received"

Page 2, line 1, strike "German measles or"

Page 2, line 4, after "polio" insert "and which indicates the month, day, and year of each immunization received"

Page 2, line 9, after "elementary," insert "or"

Page 2, line 10, delete ", or post-secondary"

Page 2, line 15, before "schedule" insert "primary"

Page 2, line 18, after the stricken language insert "and in which the month, day, and year of each additional immunization received is included. For a child less than seven years of age, a primary schedule of immunizations shall consist of four doses of vaccine for diphtheria, tetanus, and pertussis and three doses of vaccine for poliomyelitis. For a child seven years of age or older, a primary schedule of immunizations shall consist of three doses of vaccine for diphtheria, tetanus, pertussis, and polio"

Page 2, delete lines 31 to 36

Page 3, line 1, reinstate the stricken "(c)" and delete "(e)"

Page 3, line 8, reinstate the stricken "(d)" and delete "(f)"

Page 3, line 18, reinstate the stricken "(e)" and delete "(g)"

Page 3, line 20, strike "German measles" and delete "or"

Page 3, line 25, delete "or matriculating into a post-secondary"

Page 3, line 26, strike "school"

Page 3, line 30, after "month" insert ", day,"

Page 3, line 32, after "person" insert "who is six years of age or younger," and delete "or"

Page 3, line 33, delete "secondary" and after "facility" insert a comma

Page 4, line 5, delete everything after the period

Page 4, delete lines 6 to 10

Page 4, line 11, delete the new language and insert "In order for the statement to be acceptable for a person who is seven years of age or older, enrolling in an elementary or secondary school, the

statement must indicate no less than one dose of vaccine each for measles, mumps, and rubella given separately or in combination, and no less than three doses of vaccine for poliomyelitis, diphtheria, and tetanus"

Page 5, line 14, reinstate the stricken "(c)" and delete "(e)" and reinstate the stricken "(d)" and delete "(f)"

Page 5, line 26, after "children" insert "enrolled in the facility, the number of children"

Page 5, line 28, delete "(e)" and insert "(c)" and delete "(f)" and insert "(d)"

Page 5, line 36, delete "or post-secondary school"

Page 6, line 3, after "section" insert "the following terms have the meanings given them.

(a)"

Page 6, line 6, delete everything after "schools"

Page 6, delete lines 7 to 9

Page 6, line 10, delete everything before the period

Page 6, after line 10, insert:

"(b) "Family day care" means day care for no more than ten children at one time of which no more than six are under school age. The licensed capacity must include all children of any caregiver when the children are present in the residence.

(c) "Group family day care" means day care for no more than 14 children at any one time. The total number of children includes all children of any caregiver when the children are present in the residence."

Page 6, line 12, delete everything after "effective" and insert "January 1, 1989."

Page 6, delete lines 13 and 14

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2084, A bill for an act relating to health; requiring medical screening of former Conwed Corporation employees; authorizing the commissioner of health to contract with experts; requiring a report; appropriating money.

Reported the same back with the following amendments:

Page 1, line 10, after "people" insert "and family members of people"

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

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2123, A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; and 245A.13, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 23, strike "or mental"

Page 2, line 24, strike "retardation" and delete "and"

Page 2, line 25, before the semicolon insert ". This exclusion expires on July 1, 1989"

Page 5, after line 28, insert:

"Sec. 6. Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 5, is amended to read:

Subd. 5. [OVERCONCENTRATION AND DISPERSAL.] (a) Before January 1, 1985, each county having two or more group residential programs within 1,320 feet of each other shall submit to the department of human services a plan to promote dispersal of

group residential programs. In formulating its plan, the county shall solicit the participation of affected persons, programs, municipalities having highly concentrated residential program populations, and advocacy groups. For the purposes of this subdivision, "highly concentrated" means having a population in residential programs serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(b) Within 45 days after the county submits the plan, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements:

(1) a new program serving seven or more persons must not be located in any recognized planning district or other administrative subdivision where the population in residential programs is highly concentrated;

(2) the county plan must promote dispersal of highly concentrated residential program populations;

(3) the county plan shall promote the development of residential programs in areas that are not highly concentrated;

(4) no person in a residential program shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement;

(5) if the plan provides for the relocation of residential programs, the relocation must be completed by January 1, 1990. If the commissioner certifies that the plan does not do so, the commissioner shall state the reasons, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner.

(c) After July 1, 1985, the commissioner may reduce grants under section 245.73 to a county required to have an approved plan under paragraph (a) if the county does not have a plan approved by the commissioner or if the county acts in substantial disregard of its approved plan. The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision made in accordance with the contested case provisions of chapter 14."

Page 6, line 24, delete "REPEAL" and insert "REPEALER"

Renumber remaining sections in sequence

Amend the title as follows:

Page 1, line 10, after the first semicolon insert "245A.11, subdivision 5;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 15, delete "designated or provided by the county"

Page 2, line 4, after the period insert "The county shall designate the representative payee after consultation with the recipient. The designation of the representative payee is subject to the administrative and judicial review provisions of section 256.045."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2180, A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 10, 577, 1659, 1710, 1748, 1784, 1876, 1989, 2039, 2056, 2083, 2123, 2132 and 2180 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Olsen, S., by request, introduced:

H. F. No. 2319, A bill for an act relating to negligence; granting immunity to municipalities for claims arising from nonprofit athletic associations' use of facilities and property; granting immunity to certain athletic coaches, managers, volunteers, and nonprofit athletic associations from claims of spectators; amending Minnesota Statutes 1986, section 466.03, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 604.08, subdivision 1.

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

Johnson, A.; Morrison; Schreiber; Kostohryz and Simoneau introduced:

H. F. No. 2320, A bill for an act relating to metropolitan government; regulating financing and duties of the regional transit board; amending Minnesota Statutes 1986, section 473.39, as amended; and Minnesota Statutes 1987 Supplement, section 473.446, subdivision 1; repealing Minnesota Statutes 1987 Supplement, sections 473.393 and 473.398.

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

Ogren; Carlson, D.; Battaglia; Bertram and Begich introduced:

H. F. No. 2321, A bill for an act relating to environment; exempting innocent landowners from liability; amending Minnesota Statutes 1987 Supplement, section 115C.02, subdivision 13.

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

Tjornhom, Thiede, Heap, Shaver and Schafer introduced:

H. F. No. 2322, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

Tompkins, Wenzel, Bennett, Lieder and Kelso introduced:

H. F. No. 2323, A bill for an act relating to taxation; sales; including bulletproof vests in the definition of exempt clothing; amending Minnesota Statutes 1986, section 297A.25, subdivision 8.

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

Tompkins, Kelso, Ogren, Lieder and Clark introduced:

H. F. No. 2324, A bill for an act relating to education; expanding opportunities for day care and home bound instruction for high school aged mothers; amending Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4.

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

Tompkins, Dille, Schafer, Lieder and McDonald introduced:

H. F. No. 2325, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Tompkins, Dille, Ozment, Lieder and Kelso introduced:

H. F. No. 2326, A bill for an act relating to taxation; income; restoring the pension exclusion and repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Otis, Frerichs; Bishop, Carlson, L., and Jaros introduced:

H. F. No. 2327, A bill for an act relating to higher education;

establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

Jennings, Pelowski, Cooper, Kinkel and Johnson, R., introduced:

H. F. No. 2328, A bill for an act relating to game and fish; authorizing reimbursement for the removal of deer killed by motor vehicles; appropriating funds; amending Minnesota Statutes 1987 Supplement, section 97A.502.

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

Simoneau introduced:

H. F. No. 2329, A bill for an act relating to state government; permitting employee payroll deductions for homeowners and automobile insurance programs; amending Minnesota Statutes 1986, section 16A.133, by adding a subdivision.

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

Anderson, R.; Carlson, D.; Olsen, S.; Hugoson and Hartle introduced:

H. F. No. 2330, A bill for an act relating to education; requiring a state board of education rule on elementary school preparation time.

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

Jennings introduced:

H. F. No. 2331, A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

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

McLaughlin, Dauner, Brown, Rukavina and Welle introduced:

H. F. No. 2332, A bill for an act relating to taxation; individual income; modifying the tax rates; amending Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2c.

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

Simoneau introduced:

H. F. No. 2333, A bill for an act relating to environment; repealing the requirement for installation of aircraft noise suppression equipment at the Minneapolis-St. Paul International Airport; repealing Minnesota Statutes 1986, section 473.608, subdivision 20.

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

Simoneau introduced:

H. F. No. 2334, A bill for an act relating to courts; providing that the prosecuting political subdivision shall be responsible for the payment of witness fees in criminal and juvenile cases; amending Minnesota Statutes 1986, sections 357.24; 357.241; and 357.32.

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

Dawkins introduced:

H. F. No. 2335, A bill for an act relating to energy; providing for enforcement of energy conservation standards by municipalities through contested case proceedings; amending Minnesota Statutes 1986, section 116J.27, subdivisions 2 and 4a.

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

Otis, Greenfield, Jefferson, Sarna and Long introduced:

H. F. No. 2336, A bill for an act relating to retirement; permitting an amendment to the Minneapolis teachers retirement fund articles.

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

Cooper; Carlson, D.; Jennings; Brown and Kinkel introduced:

H. F. No. 2337, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

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

Ogren, Greenfield, Rodosovich, Segal and Onnen introduced:

H. F. No. 2338, A bill for an act relating to human services; changing certain appeal procedures; amending Minnesota Statutes 1986, section 256B.50, as amended by Laws 1987, chapter 403, article 4, section 12; and Minnesota Statutes 1987 Supplement, section 256B.47, subdivision 1.

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

Riveness, O'Connor, Sarna and Peterson introduced:

H. F. No. 2339, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; 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.

Orenstein, Clark, Bishop, Jefferson and Kelly introduced:

H. F. No. 2340, A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate training for peace officers in recognizing, responding to, and reporting crimes of bias; proposing coding for new law in chapter 626.

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

Forsythe, Greenfield, Clausnitzer, Vellenga and Blatz introduced:

H. F. No. 2341, A bill for an act relating to family law; regulating

child support; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Tjornhom, Boo, Morrison, Omann and Swenson introduced:

H. F. No. 2342, A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1986, sections 2.021, and 2.031, subdivision 1; repealing Minnesota Statutes 1986, section 2.031, subdivision 2.

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

Kahn, Krueger and Greenfield introduced:

H. F. No. 2343, A bill for an act relating to information management; providing for an inventory, referral, and intake system for jobs and training and income maintenance services; appropriating money; amending Minnesota Statutes 1986, section 268.86, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.01, subdivision 4.

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

Kahn, Munger, Battaglia and Carlson, D., introduced:

H. F. No. 2344, A bill for an act relating to natural resources; changing certain provisions relating to fees; amending Minnesota Statutes 1987 Supplement, sections 85.055, subdivision 1; and 105.44, subdivision 10.

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

Pappas, Morrison and Welle introduced:

H. F. No. 2345, A bill for an act relating to veterans; providing for treatment of certain veterans convicted of crimes who suffer from posttraumatic stress disorder; amending Minnesota Statutes 1987 Supplement, sections 609.115, subdivision 1; and 609.135, 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 General Legislation, Veterans Affairs and Gaming.

Cooper, Peterson, Bertram, Jensen and Carruthers introduced:

H. F. No. 2346, A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; 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.

Bertram, Cooper and Dille introduced:

H. F. No. 2347, A bill for an act relating to environment; requiring notice of changes in solid waste facility permits to be given to local governments; 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, Solberg, Begich, Battaglia and Rukavina introduced:

H. F. No. 2348, A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Jennings; Munger; Johnson, R., and Rose introduced:

H. F. No. 2349, A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; specifying the amount above appraised value that the commissioner may pay when acquiring land; transferring certain duties of county auditors and treasurers relating to the sale of state land to the commissioner; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relat-

ing to appraisals and fees; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.50, subdivision 1; 94.343, subdivision 3; and 94.348; Minnesota Statutes 1987 Supplement, section 84.0272; repealing Minnesota Statutes 1986, section 92.25.

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

Jennings, Rodosovich, Stanius, Steensma and Greenfield introduced:

H. F. No. 2350, A bill for an act relating to human services; creating an advisory committee to study case mix changes and to develop a training program for providers; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

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

Beard, Price and Swenson introduced:

H. F. No. 2351, A bill for an act relating to environmental protection; prohibiting the location of mixed municipal solid waste disposal facilities in metropolitan regional parks; amending Minnesota Statutes 1986, section 473.803, subdivision 1a.

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

Tunheim; Nelson, C.; Dauner; Winter and Steensma introduced:

H. F. No. 2352, A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; 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.

Rest, Milbert and Dempsey introduced:

H. F. No. 2353, A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

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

Bertram and Bauerly introduced:

H. F. No. 2354, A bill for an act relating to retirement; treating certain service credit in teachers retirement association as covered correctional service; amending Minnesota Statutes 1986, section 354.55, by adding a subdivision.

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

Clark introduced:

H. F. No. 2355, A bill for an act relating to judges; providing for the composition and operation of the board on judicial standards; amending Minnesota Statutes 1986, section 490.16, subdivisions 3, 5, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 490.15, subdivision 1.

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

Ogren introduced:

H. F. No. 2356, A bill for an act relating to appropriations; appropriating money for grants to agricultural societies and associations.

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

Heap introduced:

H. F. No. 2357, A bill for an act relating to education; requiring the formation of intermediate districts statewide; proposing coding for new law in Minnesota Statutes, chapter 136D.

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

Lieder introduced:

H. F. No. 2358, A bill for an act relating to state lands; authorizing

sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

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

Simoneau introduced:

H. F. No. 2359, A bill for an act relating to public employment; regulating hearing panels under the veterans preference act; amending Minnesota Statutes 1986, section 197.46.

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

Simoneau introduced:

H. F. No. 2360, A bill for an act relating to retirement; authorizing purchase of prior service credit in the teachers retirement association by a certain member.

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

Simoneau introduced:

H. F. No. 2361, A bill for an act relating to retirement; Minnesota state retirement system; optional annuities; average salary computation; disability benefits; survivor benefits; deferred annuity augmentation; amending Minnesota Statutes 1986, sections 353.656, subdivision 1; and 356.71, subdivision 2; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.651, subdivision 2; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

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

Wenzel introduced:

H. F. No. 2362, A bill for an act relating to veterans; providing for state veterans' cemeteries; requiring land donated to state for use as veterans' cemetery in Morrison county to be returned to donors if not used as veterans' cemetery; amending Minnesota Statutes 1986, section 197.235.

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

Brown and Cooper introduced:

H. F. No. 2363, A bill for an act relating to natural resources; allowing aeration of public waters without public access or public riparian landowners without a permit; requiring the aeration to be posted; amending Minnesota Statutes 1986, section 378.22, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 378.22, subdivision 2.

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

Brown, Cooper and Dauner introduced:

H. F. No. 2364, A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a delivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

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

Brown introduced:

H. F. No. 2365, A bill for an act relating to taxes; providing dates for reporting on the collection of delinquent manufactured homes taxes; amending Minnesota Statutes 1986, sections 277.05; and 277.06.

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

Vellenga introduced:

H. F. No. 2366, A bill for an act relating to education; authorizing additional uses for arts program appropriations; allowing appropriations to be available for the biennium; requiring a report on categorical aids funding sources; amending Minnesota Statutes 1986, section 129B.20, subdivision 1; Laws 1987, chapter 398, article 5, section 2, subdivision 12; and article 7, section 40, subdivision 4.

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

Nelson, D., introduced:

H. F. No. 2367, A bill for an act relating to environment; repealing the requirement for the metropolitan council to complete a solid waste disposal capacity estimate and repealing the procedure for selection and acquisition of metropolitan waste disposal facility sites and buffer zones; repealing Minnesota Statutes 1986, sections 473.149, subdivision 2b; and 473.833.

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

Greenfield, Clark and Kelly introduced:

H. F. No. 2368, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, affectional or sexual orientation, or national origin; amending Minnesota Statutes 1986, sections 609.223; 609.605, by adding a subdivision; 609.79, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 609.595, subdivisions 2, 3, and by adding a subdivision; 609.746, by adding a subdivision; and 609.795.

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

Ogren and Carlson, D., introduced:

H. F. No. 2369, A bill for an act relating to wildlife; clarifying the definition of acquisition for wetlands acquisition purposes; amending Minnesota Statutes 1986, section 97A.145, subdivisions 1 and 2.

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

Vellenga introduced:

H. F. No. 2370, A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

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

Kalis; Cooper; Olson, K., and DeBlieck introduced:

H. F. No. 2371, A bill for an act relating to agriculture; requiring a study on the feasibility of using ink with a soybean oil base for state printing.

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

Rodosovich introduced:

H. F. No. 2372, A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; 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.

Quinn and McEachern introduced:

H. F. No. 2373, A bill for an act relating to education; regulating the state high school league; specifying certain appointments to its governing board; amending Minnesota Statutes 1986, section 129.121, subdivision 2, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 129.121, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 129.

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

Minne, Trimble, McLaughlin and Jaros introduced:

H. F. No. 2374, A bill for an act relating to energy; modifying the program that promotes investments in energy conservation; establishing an energy conservation board; appropriating money; amending Minnesota Statutes 1986, sections 116J.09; 116J.18, subdivision 1a; 216A.07, subdivision 3; 216B.03; 216B.16, subdivisions 1 and 6b; and 216B.243, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1986, section 216B.241.

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

Knuth, Wenzel, Brown, Trimble and Tunheim introduced:

H. F. No. 2375, A bill for an act relating to food; requiring labeling of certain foods that may contain banned substances harmful to human health; making findings; prescribing country of origin labeling for fresh, processed, and prepared foods; requiring findings and rules to determine goods requiring country of origin labeling; requiring seizure of mislabeled food; establishing liability for persons injured for mislabeled food; prescribing penalties; amending Minnesota Statutes 1986, section 31.12.

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

Valento introduced:

H. F. No. 2376, A bill for an act relating to taxation; sales and use; providing for sales tax permit reinstatement in certain instances; amending Minnesota Statutes 1987 Supplement, section 297A.07.

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

McKasy, Morrison and Swenson introduced:

H. F. No. 2377, A bill for an act relating to child care; expanding eligibility for the child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; establishing state policy for certain inspections; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 268.91, by adding a subdivision; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding subdivisions; 256.01, subdivision 2; and 268.91, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 245 and 256.

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

Simoneau introduced:

H. F. No. 2378, A bill for an act relating to retirement; Minnesota state retirement system; authorizing the purchase of prior service credit by certain metropolitan sports facilities commission employees; repealing Minnesota Statutes 1986, section 473.565, subdivisions 3 and 4.

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

Solberg; Carlson, D.; Munger and Ogren introduced:

H. F. No. 2379, A bill for an act relating to hazardous waste; strengthening waste management board oversight of the development of hazardous waste facilities; amending Minnesota Statutes 1986, section 115A.07, by adding a subdivision.

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

Otis, Kelso, Beard, Vellenga and McPherson introduced:

H. F. No. 2380, A bill for an act relating to education; increasing the capital expenditure and general education revenue amounts; amending Minnesota Statutes 1987 Supplement, sections 124.244, subdivision 1; and 124A.22, subdivision 2.

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

Kludt introduced:

H. F. No. 2381, A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

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

Tompkins, Ozment, Wenzel, Schafer and McDonald introduced:

H. F. No. 2382, A bill for an act relating to veterans affairs; transferring certain functions concerning the Minnesota veterans homes from the commissioner of human services to the commissioner of veterans affairs.

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

Tompkins; Schafer; Johnson, V.; Ozment and McDonald introduced:

H. F. No. 2383, A bill for an act relating to traffic regulations; imposing \$100 fine for failure to yield to authorized emergency vehicle; amending Minnesota Statutes 1987 Supplement, section 169.20, subdivision 5.

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

Kinkel introduced:

H. F. No. 2384, A bill for an act relating to human services; regulating the calculation of property related costs for certain nursing homes for rate years beginning July 1, 1983, and after; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

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

Pelowski introduced:

H. F. No. 2385, A bill for an act relating to libraries; authorizing spending to contribute to acquiring and bettering public land and buildings for libraries with certain conditions; authorizing issuance of state bonds; appropriating money.

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

Quinn, Skoglund, Cooper, Dorn and Olson, K., introduced:

H. F. No. 2386, A bill for an act relating to corrections; insurance; prohibiting an insurer from excluding payments for services rendered or paid by a government or correctional facility; providing the department of corrections and county agencies subrogation rights under the terms of an inmate's insurance policy for medical services rendered to the inmate; amending Minnesota Statutes 1986, section 62A.044; proposing coding for new law in Minnesota Statutes, chapter 243.

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

Quinn, Jaros, Bennett, Solberg and Vanasek introduced:

H. F. No. 2387, A bill for an act relating to education; restricting athletic scholarship awards to United States citizens; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Rice and Simoneau introduced:

H. F. No. 2388, A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

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

Welle introduced:

H. F. No. 2389, A bill for an act relating to health; allowing a certified boarding care facility to upgrade to a nursing facility; expanding the scope of the interagency board study; amending Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1 and 3; Laws 1987, chapter 403, article 4, section 13; repealing Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7.

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

Beard, Lasley, Quinn and Jacobs introduced:

H. F. No. 2390, A bill for an act relating to health; including dentists as persons permitted to order therapy treatment; amending Minnesota Statutes 1986, sections 148.75; and 148.76, subdivision 2.

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

Tjornhom, Vellenga, Osthoff, Blatz and Pauly introduced:

H. F. No. 2391, A bill for an act relating to metropolitan government; providing a salary for a part-time chair of the regional transit board; amending Minnesota Statutes 1987 Supplement, section 15A.081, subdivisions 1 and 7.

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

Greenfield introduced:

H. F. No. 2392, A bill for an act relating to human services; clarifying the authority of the ombudsman for mental health and mental retardation; declaring that the methods, policies, and protocol established by the ombudsman are not administrative rules; amending Minnesota Statutes 1987 Supplement, section 245.94, subdivision 1.

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

Greenfield, McLaughlin, Jefferson, Rodosovich and Forsythe introduced:

H. F. No. 2393, A bill for an act relating to human services; authorizing the use of AFDC priority group child care assistance money for priority caretakers who are former AFDC recipients but continue to require child care assistance; requiring counties to place former AFDC priority caretakers who continue to need child care assistance at the top of the waiting list for the regular sliding fee child care program; amending Minnesota Statutes 1987 Supplement, section 268.91, subdivisions 3b and 4.

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

O'Connor introduced:

H. F. No. 2394, A bill for an act relating to state government; requiring the governor to appoint charitable gambling control board members from fraternal, religious, veteran's, and other nonprofit organizations; amending Minnesota Statutes 1986, section 349.151, subdivision 2.

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

O'Connor and Osthoff introduced:

H. F. No. 2395, A bill for an act relating to Ramsey county; establishing a program setting aside a portion of services and materials for small businesses.

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

Carlson, L.; Price; Bauerly; Rose and Haukoos introduced:

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Olsen, S.; McKasy; Tompkins; Segal and Thiede introduced:

H. F. No. 2397, A bill for an act relating to education; increasing the regular special education reimbursement rate; reducing certain levy equity deductions; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124.32, subdivision 1b; 124.574, subdivision 2b; 275.125, subdivision 8c; 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.

Greenfield, Jennings, Murphy, Rodosovich and Anderson, R., introduced:

H. F. No. 2398, A bill for an act relating to human services; eliminating certain limitations on reimbursement to providers; appropriating money; amending Minnesota Statutes 1986, section 256B.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 256.969, subdivision 2; and 256D.03, subdivision 4.

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

Schafer introduced:

H. F. No. 2399, A bill for an act relating to transportation;

allocating portion of positive unrestricted budgetary general fund balance to highway user tax distribution fund and transit assistance fund; repealing allocation to greater Minnesota fund; providing for allocation of motor vehicle excise tax revenues; proposing amendment to Minnesota Constitution requiring that at least one-half of motor vehicle excise tax revenues be allocated to highway user tax distribution fund and transit assistance fund; amending Minnesota Statutes 1987 Supplement, sections 16A.1541; and 297B.09.

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

Simoneau, Wynia, Dawkins, Cooper and Morrison introduced:

H. F. No. 2400, A bill for an act relating to Gillette children's hospital; authorizing the hospital board to affiliate with Minneapolis children's medical center and its parent corporation; authorizing the delegation of powers and functions to the parent corporation; amending Minnesota Statutes 1986, section 250.05, subdivisions 1, 3, 3a, 4, 5, and 6.

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

Reding introduced:

H. F. No. 2401, A bill for an act relating to police state aid; allowing counties and municipalities to use excess state aid distributions for governmental purposes; amending Minnesota Statutes 1986, section 69.031, subdivision 5.

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

O'Connor, Boo, Jacobs, Battaglia and Sarna introduced:

H. F. No. 2402, A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

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

Onnen introduced:

H. F. No. 2403, A bill for an act relating to environment; providing

priority for certain wastewater treatment facility projects to be funded by state grants; amending Minnesota Statutes 1987 Supplement, section 116.16, subdivision 5.

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

Dempsey introduced:

H. F. No. 2404, A bill for an act relating to trusts; providing for their creation, validity, administration, and supervision; providing for the sale of real property; relating to legal estates in real and personal property; relating to estates; amending Minnesota Statutes 1986, section 502.73; Minnesota Statutes 1987 Supplement, section 500.17, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 501B; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1986, sections 500.13; 501.01; 501.02; 501.03; 501.04; 501.05; 501.06; 501.07; 501.08; 501.09; 501.10; 501.11; 501.115; 501.12; 501.125, subdivisions 2, 3, 4, 5, and 6; 501.13; 501.14; 501.15; 501.16; 501.17; 501.18; 501.19; 501.195; 501.20; 501.21; 501.211; 501.22; 501.23; 501.24; 501.25; 501.26; 501.27; 501.28; 501.29; 501.30; 501.31; 501.32; 501.33; 501.34; 501.351; 501.36; 501.37; 501.38; 501.39; 501.40; 501.41; 501.42; 501.43; 501.44; 501.45; 501.46; 501.461; 501.48; 501.49; 501.50; 501.51; 501.52; 501.53; 501.54; 501.55; 501.56; 501.57; 501.58; 501.59; 501.60; 501.61; 501.62; 501.63; 501.64; 501.65; 501.66, subdivisions 1 to 6, 7 to 27, and 29 to 33; 501.67; 501.71; 501.72; 501.73; 501.74; 501.75; 501.76; 501.77; 501.78; 501.79; 501.80; and 501.81; Minnesota Statutes 1987 Supplement, sections 501.125, subdivision 1; 501.155; 501.35; 501.66, subdivision 28; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07.

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

Quinn introduced:

H. F. No. 2405, A bill for an act relating to education; waiving first-year tuition for eligible post-secondary students; requiring public post-secondary governing boards to develop procedures to determine eligibility; requiring the higher education coordinating board to report; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Quinn and Ogren introduced:

H. F. No. 2406, A bill for an act relating to human services; imposing reporting obligations on state licensed residential facilities operated for profit; amending Minnesota Statutes 1986, section 245.821, by adding a subdivision.

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

Cooper, Winter, O'Connor and Milbert introduced:

H. F. No. 2407, A bill for an act relating to the state and local governments; providing immunity from civil liability for volunteers serving the state and local governments; amending Minnesota Statutes 1986, section 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3; and proposing coding for new law in Minnesota Statutes, chapter 466.

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

Segal introduced:

H. F. No. 2408, A bill for an act relating to economic development; changing the structure of the Minnesota job skills partnership board; repealing the sunset of the board; amending Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, and 5; repealing Laws 1983, chapter 334, section 7, as amended.

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

Lasley, Murphy and Jefferson introduced:

H. F. No. 2409; A bill for an act relating to consumer protection; regulating lay away plans on consumer goods; 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.

Ozment, Morrison, Jensen, Seaberg and McKasy introduced:

H. F. No. 2410, A bill for an act relating to taxation; authorizing counties which levy a tax on the extraction of aggregate material to

extend the tax to clay soil; amending Minnesota Statutes 1986, section 298.75, subdivisions 1 and 2.

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

Voss introduced:

H. F. No. 2411, A bill for an act relating to tax administration; recodifying and providing for the administration of certain taxes; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 270.06; 270.07, subdivision 1; 270.65; 270.67, subdivision 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 3 and 7; 270.70, subdivisions 1, 2, and by adding a subdivision; 270.75, as amended; 290.05, subdivision 4; 290.37, subdivision 4; 290.391; 290.92, subdivision 6a; 290A.07, subdivisions 2a and 3; 291.09, subdivision 3a; 291.11, subdivision 1; 297A.03, subdivision 2; 297A.041; 297A.211, subdivision 3; and 297A.30; Minnesota Statutes 1987 Supplement, sections 290.39, subdivision 1; 290.48, subdivision 10; 290.92, subdivisions 6 and 24; 290A.06; 290A.19; 297A.18; and 297A.275; proposing coding for new law as Minnesota Statutes, chapters 270C and 289A; repealing Minnesota Statutes 1986, sections 270.07, subdivision 5; 270.08; 290.05, subdivision 5; 290.067, subdivision 5; 290.29, subdivisions 2 and 3; 290.41, subdivision 8; 290.47; 290.48, subdivisions 3, 4, 5, 7, and 8; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523; 290.53, subdivisions 3, 5, 7, 8, 9, 10, and 11; 290.56, subdivisions 1 and 5; 290.57; 290.58; 290.59; 290.65; 290.93, subdivisions 9 and 11; 290.936; 290A.11, subdivisions 1, 1a, 3, and 4; 290A.111; 290A.112; 290A.12; 290A.15; 291.09, subdivisions 4a and 6; 291.131, subdivision 3; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.20; 297A.27, subdivision 3; 297A.29; 297A.31; 297A.32; 297A.33, subdivisions 1, 2, 3, 4, and 5; 297A.34, subdivisions 1, 2, 3, 4, 5, 6, and 7; 297A.35; 297A.37; 297A.39, subdivisions 3, 5, 7, and 8; 297A.41; 297A.42; and 297A.44, subdivision 2; Minnesota Statutes 1987 Supplement, sections 270.10, subdivision 4; 270.651; 270.77; 290.46; 290.53, subdivisions 1, 1a, 2, 2a, 3a, and 4; 290.56, subdivisions 2, 3, and 4; 290.92, subdivisions 11, 13, 14, and 15; 290.923, subdivision 7; 290A.11, subdivision 2; 291.131, subdivisions 1, 2, 2a, and 4; and 297A.39, subdivisions 1, 2, 2a, and 4.

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

Knuth, Bertram and Kalis introduced:

H. F. No. 2412, A bill for an act relating to agriculture; renaming the department of agriculture to the department of agriculture and

food; authorizing distinction of and expanded use of the Minnesota grown label; establishing certification of soil testing laboratories; requiring real dairy products to be offered where artificial dairy products are served; appropriating money; amending Minnesota Statutes 1986, section 17.01; Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 17 and 32; repealing Minnesota Statutes 1986, section 17.013.

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

Skoglund and Greenfield introduced:

H. F. No. 2413, A bill for an act relating to health; establishing the Minnesota Institute for Addiction and Stress Research; proposing coding for new law as Minnesota Statutes, chapter 152A.

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

Knuth and O'Connor introduced:

H. F. No. 2414, A bill for an act relating to Ramsey county; removing references to personnel from the county personnel law; amending Minnesota Statutes 1986, sections 383A.281, subdivision 13; and 383A.286, subdivision 2.

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

Dauner, McLaughlin, Cooper and Greenfield introduced:

H. F. No. 2415, A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

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

Olson, E.; Anderson, G.; Cooper; Wenzel and Dille introduced:

H. F. No. 2416, A bill for an act relating to agriculture; allowing participation by the rural finance administration in seller-sponsored loans to certain farmers; allowing combination of programs by

certain farmers; appropriating money; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and by adding a subdivision; and 41B.05.

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

Schafer, by request, introduced:

H. F. No. 2417, A bill for an act relating to education; providing open options for all school-aged persons; providing penalties for parents of truants; changing school census provisions; appropriating money; amending Minnesota Statutes 1986, section 120.095, subdivisions 3 and 6; proposing coding for new law in Minnesota Statutes, chapters 124A and 609.

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

Orenstein; Carlson, L.; Haukoos; Dorn and Rose introduced:

H. F. No. 2418, A bill for an act relating to the state university board; authorizing it to use money held by it to discharge or otherwise provide for the payment of its outstanding revenue bonds; authorizing it to issue revenue bonds to finance the acquisition and betterment of facilities at the state universities subject to obtaining certain approvals; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; and 136.41, by adding subdivisions.

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

Pappas, Greenfield and Swenson introduced:

H. F. No. 2419, A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

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

Bauerly and Bertram introduced:

H. F. No. 2420, A bill for an act relating to taxation; income;

restoring the pension and military pay exclusions; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Munger, Jaros and Murphy introduced:

H. F. No. 2421, A bill for an act relating to independent school district No. 709; providing for payment of medical insurance premiums for terminated employees.

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

Simoneau and Kelly introduced:

H. F. No. 2422, A bill for an act relating to civil process; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, section 550.37, subdivision 24.

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

Kelly, Vellenga, Valento, Bennett and Trimble introduced:

H. F. No. 2423, A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building.

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

Jennings; Battaglia; Lasley; Johnson, V., and Waltman introduced:

H. F. No. 2424, A bill for an act relating to local government; clarifying the liability of governmental units for actions taken by joint powers boards; amending Minnesota Statutes 1986, section 471.59, by adding a subdivision.

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

Rest introduced:

H. F. No. 2425, A bill for an act relating to local economic development powers; abolishing economic development authorities; enabling housing and redevelopment authorities to become community development agencies and to exercise the powers of economic development authorities; correcting citations; amending Minnesota Statutes 1986, section 117.521, subdivision 3; Minnesota Statutes 1987 Supplement, sections 353.01, subdivision 2a; 355.11, subdivision 5; 462C.02, subdivision 9; 469.002, subdivision 2; 469.091, subdivision 1; 469.094, by adding a subdivision; 469.107, subdivision 1; 469.155, subdivision 2; 469.174, subdivision 8; and 469.181, subdivision 1; Laws 1987, chapter 182, section 2, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1987 Supplement, sections 469.090 to 469.108.

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

Riveness, Tjornhom, McLaughlin, Murphy and O'Connor introduced:

H. F. No. 2426, A bill for an act relating to health; health maintenance organizations; regulating chiropractic care; amending Minnesota Statutes 1986, sections 62D.02, subdivision 7; 62D.12, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 62D.102.

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

Dille, Schafer, Cooper, Uphus and Miller introduced:

H. F. No. 2427, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Uphus and Redalen introduced:

H. F. No. 2428, A bill for an act relating to agriculture; reappropriating money remaining in the 1987 interest buy-down program.

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

Peterson and Wenzel introduced:

H. F. No. 2429, A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

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

Scheid introduced:

H. F. No. 2430, A bill for an act relating to dogs; identifying and requiring licenses for potentially dangerous dogs; requiring licenses for pet stores and sellers who sell and kennels who keep potentially dangerous dogs; 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 Commerce.

O'Connor introduced:

H. F. No. 2431, A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

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

O'Connor introduced:

H. F. No. 2432, A bill for an act relating to retirement; requiring a majority vote of all members of the St. Paul police and fire department relief associations on consolidation with the public employees retirement association; amending Minnesota Statutes 1987 Supplement, section 353A.02, subdivision 17.

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

Olson, K., and Nelson, C., introduced:

H. F. No. 2433, A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1986, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

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

Munger and Jaros introduced:

H. F. No. 2434, A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

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

Simoneau, O'Connor, Morrison, Milbert and Clark introduced:

H. F. No. 2435, A bill for an act relating to animals; preserving the Minnesota humane society as a nonprofit corporation; providing the society with certain statutory powers to protect animals and to provide assistance in the enforcement of laws prohibiting animal abuse; amending Minnesota Statutes 1987 Supplement, sections 343.01; 343.06; 343.10; 343.12; and 343.29, subdivision 1; repealing Laws 1987, chapter 394, section 13.

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

Quinn and Battaglia introduced:

H. F. No. 2436, A bill for an act relating to game and fish; requiring a permit to possess dangerous non-domesticated wild animals; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Ogren; Munger; Battaglia; Carlson, D., and Murphy introduced:

H. F. No. 2437, A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

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

Minne, McEachern, Begich and Solberg introduced:

H. F. No. 2438, A bill for an act relating to education; providing for sale of permanent school fund lands; amending Minnesota Statutes 1986, section 92.67, subdivision 5; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; and 92.67, subdivisions 1, 3, and 4.

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

Begich and Munger introduced:

H. F. No. 2439, A bill for an act relating to taxation; sales and use; exempting used motor oil; exempting certain pollution control and other equipment used for hauling or processing used motor oils; amending Minnesota Statutes 1986, sections 297A.15, subdivision 5; and 297A.25, by adding subdivisions.

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

Schreiber, Gruenes, Thiede, Marsh and Omann introduced:

H. F. No. 2440, A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

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

Kelso, Vellenga, Dille and Sviggum introduced:

H. F. No. 2441, A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

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

Voss introduced:

H. F. No. 2442, A bill for an act relating to taxation; income; making technical and administrative corrections and changes; amending Minnesota Statutes 1986, sections 290.06, by adding a subdivision; 290.39, by adding a subdivision; and 290A.03, subdivision 7; Minnesota Statutes 1987 Supplement, sections 290.01, subdivisions 3a, 7, and 19a; 290.06, subdivisions 2c and 20; 290.067, subdivision 1; 290.081; 290.17, subdivision 2; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290A.03, subdivisions 3 and 8; 290A.06; and 290A.19; repealing Minnesota Statutes 1987 Supplement, section 290.077, subdivision 1.

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

Voss introduced:

H. F. No. 2443, A bill for an act relating to taxation; making technical corrections and administrative changes to property taxes, local government aids, and levy limits; providing for supervision and discipline of assessors; amending Minnesota Statutes 1986, sections 270.075, subdivision 2; 270.41; 270.69, subdivision 3; 273.05, subdivision 1; 273.061, subdivision 2; 273.121; 273.124, subdivision 1; 273.40; 375.192, subdivision 1; 473.167, subdivision 3, and by adding a subdivision; 473.249, subdivision 1; 473.446, by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 124A.02, subdivision 3a; 273.1102, subdivision 2; 273.1195; 273.13, subdivisions 15a, 23, and 25; 273.1397, subdivision 2; 274.01, subdivision 1; 275.07, subdivision 1; 473.446, subdivision 1; and 475.53, subdivision 4; Laws 1987, chapter 268, article 6, section 54; proposing coding for new law in Minnesota Statutes, chapter 275; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49.

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

Clark introduced:

H. F. No. 2444, A bill for an act relating to jobs and training; establishing demonstration projects to create housing for homeless people; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Rodosovich introduced:

H. F. No. 2445, A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

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

Rukavina, Munger, Minne, Battaglia and Boo introduced:

H. F. No. 2446, A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.17; 383C.171; 383C.174; 383C.175; 383C.20; 383C.201; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

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

Krueger; Winter; Steensma; Nelson, C., and DeBlieck introduced:

H. F. No. 2447, A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; amending Minnesota Statutes 1986, sections 79.074, by adding a subdivision; 79.252, by adding a subdivision; 176.011, subdivisions 3, 18, and by adding a subdivision; 176.081, subdivision 7; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3l, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1986, sections 79.50 to 79.62; 176.101, subdivision 6.

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

Greenfield and Ogren introduced:

H. F. No. 2448, A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; providing fines for rule violations; creating an environmental health fee account; increasing fees for restaurant, hotel, and resort licenses; appropriating money; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 145 and 157.

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:

Pauly introduced:

H. A. No. 64, A proposal for waste industry rate control.

The advisory was referred to the Committee on Environment and Natural Resources.

Rukavina, Minne, Begich, Battaglia and Carruthers introduced:

H. A. No. 65, A proposal to investigate discrepancies in sentencing in St. Louis county in the 6th Judicial District.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

Senate Concurrent Resolution No. 11, A Senate concurrent resolution providing session deadline dates for the legislature pursuant to Joint Rule 2.03.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that Senate Concurrent Resolution No. 11 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 11

A Senate concurrent resolution providing session deadline dates 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 Thursday, March 10, 1988, and committee reports on bills originating in the other house favorably acted upon by a committee after

Friday, March 18, 1988, 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 Wednesday, March 30, 1988, 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.

Wynia moved that Senate Concurrent Resolution No. 11 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 11 was adopted.

Mr. Speaker:

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

Senate Concurrent Resolution No. 12, A Senate concurrent resolution declaring full support to the endeavors of the United States Soccer Federation to bring the 1994 World Cup to the United States.

PATRICK E. FLAHAVEN, Secretary of the Senate

Senate Concurrent Resolution No. 12 was referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1574 and 1643.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1574, A bill for an act relating to real property; mandating that city of Savage is owner in fee simple of title to certain land.

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

S. F. No. 1643, A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

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

CONSENT CALENDAR

H. F. No. 1761, A bill for an act relating to Mille Lacs county; authorizing sale of certain tax-forfeited land.

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.	Dauner	Jefferson	Lieder	Ogren
Anderson, R.	Dawkins	Jensen	Long	Olsen, S.
Battaglia	DeBlieck	Johnson, A.	Marsh	Omann
Bauerly	DeRaad	Johnson, R.	McDonald	Onnen
Beard	Dorn	Johnson, V.	McEachern	Orenstein
Begich	Forsythe	Kahn	McLaughlin	Osthoff
Bennett	Frederick	Kalis	McPherson	Otis
Bertram	Frerichs	Kelly	Milbert	Pappas
Bishop	Greenfield	Kelso	Miller	Pauly
Blatz	Gruenes	Kinkel	Minne	Pelowski
Boo	Hartle	Kludt	Morrison	Peterson
Burger	Haukoos	Knickerbocker	Munger	Poppenhagen
Carlson, D.	Heap	Knuth	Murphy	Price
Carlson, L.	Himle	Kostohryz	Nelson, C.	Quinn
Carruthers	Hugoson	Krueger	Nelson, K.	Quist
Clausnitzer	Jacobs	Larsen	Neuenschwander	Redalen
Cooper	Jaros	Lasley	O'Connor	Reding

Rest	Schafer	Sparby	Trimble	Welle
Rice	Scheid	Stanius	Tunheim	Wenzel
Richter	Schreiber	Steensma	Uphus	Winter
Riveness	Seaberg	Sviggum	Valento	Wynia
Rodosovich	Segal	Swenson	Vellenga	Spk. Vanasek
Rose	Shaver	Thiede	Voss	
Rukavina	Simoneau	Tjornhom	Wagenius	
Sarna	Skoglund	Tompkins	Waltman	

The bill was passed and its title agreed to.

H. F. No. 1858, A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

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 115 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Kostohryz	Osthoff	Simoneau
Anderson, R.	Greenfield	Krueger	Otis	Skoglund
Battaglia	Gruenes	Larsen	Pappas	Sparby
Bauerly	Hartle	Lasley	Pauly	Stanius
Beard	Haukoos	Lieder	Pelowski	Steensma
Begich	Heap	Long	Peterson	Sviggum
Bennett	Himle	Marsh	Poppenhagen	Swenson
Bertram	Hugoson	McDonald	Price	Thiede
Blatz	Jacobs	McEachern	Quist	Tjornhom
Boo	Jaros	McLaughlin	Redalen	Tompkins
Burger	Jefferson	McPherson	Reding	Trimble
Carlson, D.	Jensen	Milbert	Rest	Tunheim
Carlson, L.	Johnson, A.	Minne	Rice	Uphus
Carruthers	Johnson, R.	Morrison	Riveness	Valento
Clausnitzer	Johnson, V.	Murphy	Rodosovich	Vellenga
Cooper	Kahn	Nelson, C.	Rose	Voss
Dauner	Kalis	Nelson, K.	Rukavina	Wagenius
Dawkins	Kelly	Neuenschwander	Sarna	Waltman
DeBlieck	Kelso	O'Connor	Schafer	Welle
DeRaad	Kinkel	Olsen, S.	Scheid	Wenzel
Dorn	Kludt	Omam	Schreiber	Winter
Forsythe	Knickerbocker	Onnen	Seaberg	Wynia
Frederick	Knuth	Orenstein	Segal	Spk. Vanasek

The bill was passed and its title agreed to.

CALENDAR

H.F. No. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, 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. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Osthoff	Segal
Anderson, R.	Gruenes	Lasley	Otis	Simoneau
Battaglia	Hartle	Lieder	Pappas	Skoglund
Bauerly	Haukoos	Long	Pauly	Solberg
Beard	Heap	Marsh	Pelowski	Sparby
Begich	Himle	McDonald	Peterson	Stanius
Bennett	Hugoson	McEachern	Poppenhagen	Steenma
Bertram	Jacobs	McLaughlin	Price	Sviggum
Blatz	Jaros	McPherson	Quinn	Swenson
Boo	Jefferson	Milbert	Quist	Thiede
Brown	Jensen	Minne	Redalen	Tjornhom
Burger	Johnson, A.	Morrison	Reding	Tompkins
Carlson, D.	Johnson, R.	Munger	Rest	Trimble
Carlson, L.	Johnson, V.	Murphy	Rice	Tunheim
Carruthers	Kahn	Nelson, C.	Richter	Uphus
Cooper	Kalis	Nelson, K.	Riveness	Valento
Dauner	Kelly	Neuenschwander	Rodosovich	Vellenga
Dawkins	Kelso	O'Connor	Rose	Voss
DeBlicke	Kinkel	Olsen, S.	Rukavina	Wagenius
DeRaad	Kludt	Olsen, E.	Sarna	Waltman
Dorn	Knickerbocker	Olson, K.	Schafer	Welle
Forsythe	Knuth	Omman	Scheid	Wenzel
Frederick	Kostohryz	Onnen	Schreiber	Winter
Frerichs	Krueger	Orenstein	Seaberg	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1836, A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; 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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bertram	Carruthers	Forsythe	Heap
Anderson, R.	Blatz	Cooper	Frederick	Himle
Battaglia	Boo	Dauner	Frerichs	Hugoson
Bauerly	Brown	Dawkins	Greenfield	Jacobs
Beard	Burger	DeBlicke	Gruenes	Jaros
Begich	Carlson, D.	DeRaad	Hartle	Jefferson
Bennett	Carlson, L.	Dorn	Haukoos	Jennings

Jensen	Long	Omann	Richter	Sviggum
Johnson, A.	Marsh	Onnen	Riveness	Swenson
Johnson, R.	McDonald	Orenstein	Rodosovich	Thiede
Johnson, V.	McEachern	Osthoff	Rose	Tjornhom
Kahn	McLaughlin	Otis	Rukavina	Tompkins
Kalis	McPherson	Pappas	Sarna	Trimble
Kelly	Milbert	Pauly	Schafer	Tunheim
Kelso	Minne	Pelowski	Scheid	Uphus
Kinkel	Morrison	Peterson	Schreiber	Valento
Kludt	Munger	Poppenhagen	Seaberg	Vellenga
Knickerbocker	Murphy	Price	Segal	Voss
Knuth	Nelson, C.	Quinn	Simoneau	Wagenius
Kostohryz	Nelson, K.	Quist	Skoglund	Waltman
Krueger	Neuenschwander	Redalen	Solberg	Welle
Larsen	O'Connor	Reding	Sparby	Wenzel
Lasley	Olsen, S.	Rest	Stanius	Winter
Lieder	Olson, K.	Rice	Steensma	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1575, A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, 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 92 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Heap	McEachern	Price	Trimble
Battaglia	Jacobs	McLaughlin	Quinn	Tunheim
Bauerly	Jaros	Milbert	Quist	Uphus
Beard	Jefferson	Minne	Redalen	Vellenga
Begich	Jennings	Morrison	Reding	Voss
Bennett	Jensen	Munger	Rest	Winter
Bertram	Johnson, A.	Murphy	Rice	Wynia
Bishop	Johnson, R.	Nelson, C.	Riveness	Spk. Vanasek
Boo	Kahn	Neuenschwander	Rodosovich	
Brown	Kelly	O'Connor	Rose	
Burger	Kelso	Olsen, S.	Rukavina	
Carlson, L.	Kinkel	Olson, E.	Sarna	
Carruthers	Kludt	Olson, K.	Scheid	
Cooper	Knickerbocker	Omann	Segal	
Dauner	Knuth	Orenstein	Simoneau	
Dawkins	Kostohryz	Osthoff	Solberg	
DeBleeck	Krueger	Otis	Sparby	
DeRaad	Larsen	Pappas	Steensma	
Dille	Lieder	Pauly	Swenson	
Dorn	Long	Pelowski	Tjornhom	
Greenfield	Marsh	Peterson	Tompkins	

Those who voted in the negative were:

Anderson, R.	Gruenes	Lasley	Schafer	Valento
Blatz	Hartle	McDonald	Schreiber	Waltman
Carlson, D.	Haukoos	McPherson	Seaberg	Welle
Clausnitzer	Himle	Miller	Skoglund	Wenzel
Forsythe	Hugoson	Onnen	Stanius	
Frederick	Johnson, V.	Poppenhagen	Sviggm	
Frerichs	Kalis	Richter	Thiede	

The bill was passed and its title agreed to.

S. F. No. 537 was reported to the House.

There being no objection, S. F. No. 537 was continued on the Calendar for one day.

H. F. No. 1850, A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

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.	Frerichs	Larsen	Pappas	Solberg
Anderson, R.	Greenfield	Lasley	Pauly	Sparby
Battaglia	Gruenes	Lieder	Pelowski	Stanius
Bauerly	Hartle	Long	Peterson	Steensma
Beard	Haukoos	Marsh	Poppenhagen	Sviggm
Begich	Heap	McDonald	Price	Swenson
Bennett	Himle	McEachern	Quinn	Thiede
Bertram	Hugoson	McLaughlin	Quist	Tjornhom
Bishop	Jacobs	McPherson	Redalen	Tompkins
Blatz	Jaros	Milbert	Reding	Trimble
Boo	Jefferson	Miller	Rest	Tunheim
Brown	Jennings	Minne	Rice	Uphus
Burger	Jensen	Morrison	Richter	Valento
Carlson, D.	Johnson, A.	Munger	Riveness	Vellenga
Carlson, L.	Johnson, R.	Murphy	Rodosovich	Voss
Carruthers	Johnson, V.	Nelson, C.	Rose	Wagenius
Clark	Kahn	Nelson, K.	Rukavina	Waltman
Clausnitzer	Kalis	Neuenschwander	Sarna	Welle
Cooper	Kelly	O'Connor	Schafer	Wenzel
Dauner	Kelso	Olsen, S.	Scheid	Winter
Dawkins	Kinkel	Olson, K.	Schreiber	Wynia
DeBlicke	Kludt	Omam	Seaberg	Spk. Vanasek
DeRaad	Knickerbocker	Onnen	Segal	
Dorn	Knuth	Orenstein	Shaver	
Forsythe	Kostohryz	Osthoif	Simoneau	
Frederick	Krueger	Otis	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 1851, A bill for an act relating to local government; regulating duties of town officers; setting town powers; amending Minnesota Statutes 1986, sections 18.272; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, section 115A.921; and repealing Minnesota Statutes 1986, section 365.03.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Lieder	Otis	Skoglund
Anderson, R.	Frerichs	Long	Pappas	Solberg
Battaglia	Hartle	Marsh	Pauly	Sparby
Bauerly	Haukoos	McDonald	Pelowski	Stanius
Beard	Heap	McEachern	Peterson	Steensma
Begich	Himle	McKasy	Poppenhagen	Sviggum
Bennett	Hugoson	McLaughlin	Price	Swenson
Bertram	Jacobs	McPherson	Quinn	Thiede
Bishop	Jaros	Milbert	Quist	Tjornhom
Blatz	Jennings	Miller	Redalen	Tompkins
Boo	Jensen	Minne	Reding	Trimble
Brown	Johnson, A.	Morrison	Rest	Tunheim
Burger	Johnson, R.	Munger	Rice	Uphus
Carlson, D.	Johnson, V.	Murphy	Richter	Valento
Carlson, L.	Kahn	Nelson, C.	Riveness	Vellenga
Carruthers	Kalis	Nelson, K.	Rodosovich	Voss
Clark	Kelly	Neuenschwander	Rose	Wagenius
Clausnitzer	Kelso	O'Connor	Rukavina	Waltman
Cooper	Kinkel	Ogren	Sarna	Welle
Dauner	Kludt	Olsen, S.	Schafer	Wenzel
Dawkins	Knickerbocker	Olson, E.	Scheid	Winter
DeBlieck	Knuth	Olson, K.	Schreiber	Wynia
DeRaad	Kostohryz	Omann	Seaberg	Spk. Vanasek
Dille	Krueger	Onnen	Segal	
Dorn	Larsen	Orenstein	Shaver	
Forsythe	Lasley	Osthoff	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1867, A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Hartle	Long	Pappas	Solberg
Begich	Haukoos	Marsh	Pauly	Sparby
Bennett	Heap	McDonald	Pelowski	Stanius
Bertram	Himle	McEachern	Peterson	Steensma
Bishop	Hugoson	McKasy	Poppenhagen	Sviggum
Blatz	Jacobs	McLaughlin	Price	Swenson
Boo	Jaros	McPherson	Quinn	Thiede
Brown	Jefferson	Milbert	Quist	Tjornhom
Burger	Jennings	Miller	Redalen	Tompkins
Carlson, D.	Jensen	Minne	Reding	Trimble
Carlson, L.	Johnson, A.	Morrison	Rest	Tunheim
Carruthers	Johnson, R.	Munger	Rice	Uphus
Clark	Johnson, V.	Murphy	Richter	Valento
Clausnitzer	Kahn	Nelson, C.	Riveness	Vellenga
Cooper	Kalis	Nelson, K.	Rodosovich	Voss
Dauner	Kelly	Neuenschwander	Rose	Wagenius
Dawkins	Kelso	O'Connor	Rukavina	Waltman
DeBlieck	Kinkel	Ogren	Sarna	Welle
DeRaad	Kludt	Olsen, S.	Schafer	Wenzel
Dille	Knickerbocker	Olson, E.	Scheid	Winter
Dorn	Knuth	Olson, K.	Schreiber	Wynia
Forsythe	Kostohryz	Omann	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1816, A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, 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 122 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Heap	Knickerbocker	Munger
Battaglia	Cooper	Hugoson	Knuth	Murphy
Bauerly	Dauner	Jacobs	Kostohryz	Nelson, C.
Beard	Dawkins	Jaros	Krueger	Nelson, K.
Begich	DeBlieck	Jefferson	Larsen	Neuenschwander
Bennett	Dempsey	Jennings	Lasley	O'Connor
Bertram	DeRaad	Jensen	Lieder	Ogren
Bishop	Dille	Johnson, A.	Long	Olsen, S.
Blatz	Dorn	Johnson, R.	Marsh	Olson, E.
Boo	Forsythe	Johnson, V.	McDonald	Olson, K.
Brown	Frederick	Kahn	McEachern	Omann
Burger	Frerichs	Kalis	McKasy	Orenstein
Carlson, D.	Greenfield	Kelly	McLaughlin	Osthoff
Carlson, L.	Gruenes	Kelso	Milbert	Otis
Carruthers	Hartle	Kinkel	Minne	Pappas
Clark	Haukoos	Kludt	Morrison	Pauly

Pelowski	Riveness	Segal	Tjornhom	Waltman
Peterson	Rodosovich	Shaver	Tompkins	Welle
Price	Rose	Simoneau	Trimble	Wenzel
Quinn	Rukavina	Skoglund	Tunheim	Winter
Redalen	Sarna	Solberg	Uphus	Wynia
Reding	Schafer	Sparby	Valento	Spk. Vanasek
Rest	Scheid	Stanius	Vellenga	
Rice	Schreiber	Steensma	Voss	
Richter	Seaberg	Swenson	Wagenius	

Those who voted in the negative were:

Miller	Onnen	Quist	Thiede
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The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 1749.

H. F. No. 1749 was reported to the House.

Rukavina moved to amend H. F. No. 1749, as follows:

Pages 1 and 2, delete sections 1 to 3 and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns must be computed by applying to their taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:

not over \$4,000
 over \$4,000, but not
 over \$11,000
 over \$11,000, but not
 over \$21,000
 over \$21,000

the tax is:

4 percent
 \$160 plus 6 percent of the
 excess over \$4,000
 \$580 plus 8 percent of the
 excess over \$11,000
 \$1,380 plus 9 percent of
 the excess over \$21,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:
 not over \$19,000
 over \$19,000

the tax is:
 6 6.05 percent
 \$1,140 plus 8 8.25 percent of
 the excess over \$19,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(b) The income taxes imposed by this chapter upon unmarried individuals, married individuals filing separate returns, estates, and trusts must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:
 not over \$3,000
 over \$3,000, but not
 over \$9,000
 over \$9,000, but not
 over \$16,000
 over \$16,000

the tax is:
 4 percent
 \$120 plus 6 percent
 of the excess over \$3,000
 \$480 plus 8 percent
 of the excess over \$9,000
 \$1,040 plus 9 percent
 of the excess over \$16,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:
 not over \$13,000
 over \$13,000

the tax is:
 6 6.05 percent
 \$780 plus 8 8.25 percent
 of the excess over \$13,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986, must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$3,500	4 percent
over \$3,500, but not over \$10,000	\$140 plus 6 percent of the excess over \$3,500
over \$10,000, but not over \$18,500	\$530 plus 8 percent of the excess over \$10,000
over \$18,500	\$1,210 plus 9 percent of the excess over \$18,500

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$16,000	6 <u>6.05</u> percent
over \$16,000	\$960 plus 8 <u>8.25</u> percent of the excess over \$16,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota sourced federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1986, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1986."

Renumber the sections in sequence

Page 2, line 23, delete "65" and insert "37.5"

Page 2, line 24, delete "26.25" and insert "46.875"

Page 2, line 27, delete "8 $\frac{3}{4}$ " and insert "15.625"

Page 4, delete lines 4 to 5 and insert:

"Section 1 is effective for taxable years beginning after December 31, 1987. Section 2 is"

Further amend the title:

Page 1, line 2, delete "tax on" and insert "individual income tax rates,"

Page 1, delete line 3

Page 1, line 5, delete "35" and insert "62.5 percent"

Page 1, delete line 6

Page 1, line 7, delete "296.02, subdivision 1b; and" and insert "amending"

Page 1, line 8, delete "296.025, subdivisions 2a and 2b" and insert "290.06, subdivision 2c"

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

Schreiber, Poppenhagen and Johnson, V., moved to amend H. F. No. 1749, as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

Subdivision 1. [FORECAST BALANCES.]If on the basis of a forecast of general fund revenues and expenditures made before the effective date of this section the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4c, to 24 percent;

(2) the remainder (i) ~~one-half to the greater Minnesota fund, but not to exceed \$120,000,000~~ and (ii) ~~one-half to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000~~ \$285,000,000.

Any positive unrestricted budgetary general fund balance forecast by the commissioner of finance after the effective date of this section, or so much thereof as is necessary, must be allocated by the commissioner to the budget and cash flow reserve account until the total amount in the account equals \$285,000,000, and the remainder if any must be retained in the general fund.

The amounts necessary to meet the requirements of clauses (1) and (2) this subdivision are appropriated from the general fund.

Subd. 2. [RETURN OF ALLOCATION.] Any amounts allocated before the effective date of this section which were not allocated in accordance with the requirements of subdivision 1 must be returned to the general fund."

Delete sections 1 to 3 and renumber the remaining sections

Delete section 4 and insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund as follows:

(1) of the money collected and received under this chapter during the fiscal year ending June 30, 1989:

(a) 40 percent to the general fund;

(b) 51 percent to the highway user tax distribution fund for distribution in the same manner as other money in that fund; and

(c) 9 percent to the transit assistance fund.

(2) of the money collected and received under this chapter during the fiscal years ending June 30, 1990 and 1991:

(a) 20 percent to the general fund;

(b) 68 percent to the highway user tax distribution fund for distribution in the same manner as any other money in that fund; and

(c) 12 percent to the transit assistance fund.

(3) of the money collected and received under this chapter during each fiscal year ending June 30, 1992 and thereafter

(a) 85 percent to the highway user tax distribution fund for distribution in the same manner as any other money in that fund; and

(c) 15 percent to the transit assistance fund.

The amounts collected and received shall be credited to the highway user tax distribution fund and the transit assistance fund as provided in this subdivision, and must be transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund. Five percent of the money must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as provided in this section. Of the money deposited under this section, 75 percent 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 money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(b) The distributions under this subdivision to the highway user tax distribution fund must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any

time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 4, after line 2, insert:

"Sec. 3. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; are repealed."

Delete page 4, lines 3 to 6 and insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to state finance; cancelling certain allocations of surplus revenue; providing for the allocation of revenue from the motor vehicle excise tax; repealing excise taxes on railroad and barge fuel; amending Minnesota Statutes 1987 Supplement, sections 16A.1541; and 297B.09, subdivision 1; repealing Minnesota Statutes 1987 Supplement, sections 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b."

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Anderson, G.	Blatz	Cooper	Frederick	Jacobs
Anderson, R.	Boo	Dauner	Frerichs	Jaros
Battaglia	Brown	Dawkins	Greenfield	Jefferson
Bauerly	Burger	DeBlicke	Gruenes	Jennings
Beard	Carlson, D.	Dempsey	Hartle	Jensen
Begich	Carlson, L.	DeRaad	Haukoos	Johnson, A.
Bennett	Carruthers	Dille	Heap	Johnson, R.
Bertram	Clark	Dorn	Himle	Johnson, V.
Bishop	Clausnitzer	Forsythe	Hugoson	Kahn

Kalis	McLaughlin	Onnen	Riveness	Swenson
Kelly	McPherson	Orenstein	Rodosovich	Thiede
Kelso	Milbert	Osthoff	Rose	Tjornhom
Kinkel	Miller	Otis	Rukavina	Tompkins
Kludt	Minne	Pappas	Sarna	Trimble
Knickerbocker	Morrison	Pauly	Schafer	Tunheim
Knuth	Munger	Pelowski	Scheid	Uphus
Kostohryz	Murphy	Peterson	Schreiber	Valento
Krueger	Nelson, C.	Poppenhagen	Seaberg	Vellenga
Larsen	Nelson, K.	Price	Segal	Voss
Lasley	Neuenschwander	Quinn	Shaver	Wagenius
Lieder	O'Connor	Quist	Simoneau	Waltman
Long	Ogren	Redalen	Skoglund	Welle
Marsh	Olsen, S.	Reding	Sparby	Wenzel
McDonald	Olson, E.	Rest	Stanius	Winter
McEachern	Olson, K.	Rice	Steensma	Wynia
McKasy	Omann	Richter	Swiggum	Spk. Vanasek

Wynia 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 Schreiber et al amendment and the roll was called.

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

There were 49 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Kelso	Onnen	Stanius
Bennett	Frerichs	Knickerbocker	Pauly	Swiggum
Blatz	Gruenes	Marsh	Poppenhagen	Swenson
Boo	Hartle	McDonald	Quist	Thiede
Burger	Haukoos	McKasy	Redalen	Tjornhom
Clausnitzer	Heap	McPherson	Richter	Tompkins
Dempsey	Himle	Miller	Rose	Uphus
DeRaad	Hugoson	Morrison	Schafer	Valento
Dille	Jennings	Olsen, S.	Schreiber	Waltman
Forsythe	Johnson, V.	Omann	Shaver	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lieder	Osthoff	Skoglund
Battaglia	Jaros	Long	Otis	Solberg
Bauerly	Jefferson	McEachern	Pelowski	Sparby
Beard	Jensen	McLaughlin	Peterson	Steensma
Begich	Johnson, A.	Milbert	Price	Trimble
Bertram	Johnson, R.	Minne	Quinn	Tunheim
Brown	Kahn	Munger	Reding	Vellenga
Carlson, L.	Kalis	Murphy	Rest	Voss
Carruthers	Kelly	Nelson, C.	Rice	Wagenius
Clark	Kinkel	Nelson, K.	Riveness	Welle
Cooper	Kludt	Neuenschwander	Rodosovich	Wenzel
Dauner	Knuth	O'Connor	Rukavina	Winter
Dawkins	Kostohryz	Ogren	Sarna	Wynia
DeBlicke	Krueger	Olson, E.	Scheid	Spk. Vanasek
Dorn	Larsen	Olson, K.	Segal	
Greenfield	Lasley	Orenstein	Simoneau	

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

Dille and Uphus moved to amend H. F. No. 1749, as follows:

Add a section to read:

"Sec. 2. Minnesota Statutes 1986, section 296.02, subdivision 7, is amended to read:

Subd. 7. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE.] A distributor shall be allowed a credit of 30 cents on each gallon of fuel grade alcohol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. ~~The amount of the credit for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline is as follows:~~

(a) ~~For the fiscal year ending June 30, 1987, 25 cents.~~

(b) ~~On and after July 1, 1987, 20 cents.~~

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on alcohol blended with motor fuels shall be passed on to the retailer."

Page 4, line 4, delete "Section 1 is" and insert "Sections 1 to 4 are"

Renumber the remaining sections

Amend the title:

Page 1, line 3, after the semicolon insert "increasing tax credit for agricultural alcohol gasoline;"

Page 1, line 7, delete "subdivision 1b" and insert "subdivisions 1b and 7"

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

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, 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.

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

There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knuth	Olson, K.	Seaberg
Battaglia	Greenfield	Krueger	Orenstein	Segal
Beard	Jacobs	Larsen	Osthoff	Simoneau
Bishop	Jaros	Lasley	Otis	Solberg
Brown	Jefferson	Lieder	Pappas	Sparby
Carlson, D.	Jennings	McEachern	Pauly	Steensma
Carlson, L.	Jensen	McLaughlin	Peterson	Trimble
Carruthers	Johnson, A.	Minne	Price	Tunheim
Clark	Johnson, R.	Munger	Quinn	Vellenga
Cooper	Kahn	Murphy	Reding	Voss
Dauner	Kalis	Nelson, K.	Rice	Welle
Dawkins	Kelly	Neuenschwander	Riveness	Wenzel
DeBlicke	Kelso	Ogren	Rodosovich	Winter
Dille	Kludt	Olson, E.	Sarna	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Anderson, R.	Frederick	Long	Onnen	Shaver
Bauerly	Frerichs	Marsh	Pelowski	Skoglund
Begich	Gruenes	McDonald	Poppenhagen	Stanius
Bennett	Hartle	McKasy	Quist	Sviggum
Bertram	Haukoos	McPherson	Redalen	Swenson
Blatz	Heap	Milbert	Rest	Thiede
Boo	Himle	Miller	Richter	Tjornhom
Burger	Hugoson	Morrison	Rose	Tompkins
Clausnitzer	Johnson, V.	Nelson, C.	Rukavina	Uphus
Dempsey	Kinkel	O'Connor	Schafer	Valento
DeRaad	Knickerbocker	Olsen, S.	Scheid	Wagenius
Forsythe	Kostohryz	Omann	Schreiber	Waltman

The bill was passed and its title agreed to.

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. No. 1704.

H. F. No. 1704 was reported to the House.

Olsen, S., and Tjornhom offered an amendment to H. F. No. 1704, the first engrossment.

POINT OF ORDER

Voss raised a point of order pursuant to rule 3.10 that the Olsen, S., and Tjornhom amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 1704, A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

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.

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

There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Krueger	Orenstein	Simoneau
Battaglia	Frerichs	Larsen	Osthoff	Skoglund
Bauerly	Greenfield	Lasley	Otis	Solberg
Beard	Gruenes	Lieder	Pappas	Sparby
Begich	Hartle	Long	Pauly	Stanius
Bennett	Haukoos	Marsh	Pelowski	Steenasma
Bertram	Heap	McDonald	Peterson	Sviggum
Bishop	Himle	McEachern	Poppenhagen	Swenson
Blatz	Hugoson	McKasy	Price	Thiede
Boo	Jacobs	McLaughlin	Quinn	Tjornhom
Brown	Jaros	McPherson	Redalen	Tompkins
Burger	Jefferson	Milbert	Reding	Trimble
Carlson, D.	Jennings	Minne	Rest	Tunheim
Carlson, L.	Jensen	Morrison	Rice	Uphus
Carruthers	Johnson, A.	Munger	Richter	Valento
Clark	Johnson, R.	Murphy	Riveness	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Rodosovich	Voss
Cooper	Kahn	Nelson, K.	Rose	Wagenius
Dauner	Kalis	Neuenschwander	Rukavina	Waltman
Dawkins	Kelly	O'Connor	Sarna	Welle
DeBlieck	Kelso	Ogren	Schafer	Wenzel
Dempsey	Kinkel	Olsen, S.	Scheid	Winter
DeRaad	Kludt	Olson, E.	Schreiber	Wynia
Dille	Knickerbocker	Olson, K.	Seaberg	Spk. Vanasek
Dorn	Knuth	Omann	Segal	
Forsythe	Kostohryz	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G. Miller

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

Valento moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of S. F. No. 1184.

S. F. No. 1184 was reported to the House.

Carlson, D., moved to amend S. F. No. 1184, the unofficial engrossment, as follows:

Page 1, line 19, after "order" delete "or" and insert a comma

Page 1, line 19, after "county" insert "or other"

Page 2, line 7, after "order" delete "or" and insert a comma

Page 2, line 7, after "county" insert "or other"

The motion prevailed and the amendment was adopted.

S. F. No. 1184, A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Omann	Seaberg
Anderson, R.	Frederick	Larsen	Onnen	Segal
Battaglia	Frerichs	Lasley	Orenstein	Simoneau
Bauerly	Greenfield	Lieder	Osthoff	Skoglund
Beard	Gruenes	Long	Otis	Solberg
Begich	Heap	Marsh	Pappas	Sparby
Bennett	Himle	McDonald	Pauly	Stanius
Bertram	Hugoson	McEachern	Peterson	Steensma
Blatz	Jacobs	McKasy	Poppenhagen	Swiggum
Boo	Jaros	McLaughlin	Price	Thiede
Brown	Jefferson	McPherson	Quinn	Tjornhom
Burger	Jennings	Milbert	Quist	Tompkins
Carlson, D.	Jensen	Miller	Redalen	Trimble
Carlson, L.	Johnson, A.	Minne	Reding	Tunheim
Carruthers	Johnson, R.	Morrison	Rest	Uphus
Clark	Johnson, V.	Munger	Rice	Valento
Clausnitzer	Kahn	Murphy	Richter	Vellenga
Cooper	Kalis	Nelson, C.	Riveness	Voss
Dauner	Kelly	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelso	Neuenschwander	Rose	Waltman
DeBlieck	Kinkel	O'Connor	Rukavina	Welle
Dempsey	Kludt	Ogren	Sarna	Wenzel
DeRaad	Knickerbocker	Olsen, S.	Schafer	Winter
Dille	Knuth	Olson, E.	Scheid	Wynia
Dorn	Kostohryz	Olson, K.	Schreiber	Spk. Vanasek

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

Jaros, McPherson and Kludt were excused at 5:45 p.m. Nelson, K., and Lasley were excused at 6:10 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek in the Chair for consideration of bills pending on General Orders of the day. Long presided during a portion of the meeting of the Committee of the Whole. 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. 297 was recommended for progress retaining its place on General Orders.

H. F. No. 453, the first engrossment, which it recommended to pass with the following amendment offered by O'Connor:

Page 2, line 35, after "make" insert "future"

On the motion of Wynia 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:

Tjornhom moved to amend H. F. No. 453, the first engrossment, as amended, as follows:

Page 1, delete lines 1 to 25

Page 2, delete lines 1 to 36, and insert:

“A resolution memorializing the President and Congress to consider the issues raised in H. F. No. 453 as introduced to the Minnesota State Legislature.

Be It Resolved by the Legislature of the State of Minnesota that Congress should speedily enact legislation to determine if religious and ethnic discrimination is occurring in Northern Ireland and take action by its investment policies to lead toward the achievements of the MacBride principles by corporations in Northern Ireland trading with the United States.”

The question was taken on the Tjornhom amendment and the roll was called. There were 41 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Heap	Onnen	Sparby
Bauerly	Dorn	Himle	Pauly	Sviggum
Bishop	Forsythe	Hugoson	Poppenhagen	Swenson
Burger	Frederick	Knickerbocker	Quist	Thiede
Carlson, D.	Frerichs	McDonald	Richter	Tjornhom
Clausnitzer	Gruenes	Miller	Schafer	Tompkins
Dempsey	Hartle	Olsen, S.	Schreiber	Uphus
DeRaad	Haukoos	Omann	Shaver	Valento
				Waltman

Those who voted in the negative were:

Anderson, G.	Cooper	Kahn	Long	Ogren
Battaglia	Dauner	Kalis	McEachern	Olson, E.
Beard	Dawkins	Kelly	McKasy	Olson, K.
Begich	DeBlieck	Kelso	McLaughlin	Orenstein
Bennett	Greenfield	Kinkel	Milbert	Otis
Bertram	Jacobs	Knuth	Minne	Pappas
Blatz	Jefferson	Kostohryz	Morrison	Peterson
Brown	Jensen	Krueger	Murphy	Price
Carlson, L.	Johnson, A.	Larsen	Nelson, C.	Quinn
Carruthers	Johnson, R.	Lasley	Neuenschwander	Reding
Clark	Johnson, V.	Lieder	O'Connor	Rest

Rice	Scheid	Solberg	Vellenga	Winter
Rodosovich	Seaberg	Stanius	Voss	Wynia
Rose	Segal	Steensma	Wagenius	Spk. Vanasek
Rukavina	Simoneau	Trimble	Welle	
Sarna	Skoglund	Tunheim	Wenzel	

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

The question was taken on the McDonald motion to re-refer H. F. No. 453, as amended, to the Committee on Commerce and the roll was called. There were 41 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Miller	Rose	Tjornhom
Bennett	Gruenes	Omann	Schafer	Tompkins
Bishop	Haukoos	Onnen	Schreiber	Uphus
Carlson, D.	Heap	Osthoff	Seaberg	Valento
Clausnitzer	Hugoson	Pauly	Shaver	Waltman
DeRaad	Johnson, V.	Poppenhagen	Stanius	
Dille	Knickerbocker	Quist	Sviggunn	
Forsythe	Marsh	Redalen	Swenson	
Frederick	McDonald	Richter	Thiede	

Those who voted in the negative were:

Anderson, G.	Greenfield	Krueger	Olson, K.	Skoglund
Battaglia	Hartle	Larsen	Orenstein	Solberg
Bauerly	Himle	Lieder	Otis	Sparby
Beard	Jacobs	Long	Pappas	Steensma
Begich	Jefferson	McEachern	Pelowski	Trimble
Bertram	Jennings	McKasy	Peterson	Tunheim
Blatz	Jensen	McLaughlin	Price	Vellenga
Brown	Johnson, A.	Milbert	Quinn	Voss
Burger	Johnson, R.	Minne	Reding	Wagenius
Carlson, L.	Kahn	Murphy	Rice	Wenzel
Carruthers	Kalis	Nelson, C.	Riveness	Winter
Clark	Kelly	Neuenschwander	Rodosovich	Wynia
Cooper	Kelso	O'Connor	Rukavina	Spk. Vanasek
Dawkins	Kinkel	Ogren	Sarna	
Dempsey	Knuth	Olsen, S.	Scheid	
Dorn	Kostohryz	Olson, E.	Simoneau	

The motion did not prevail.

The question was taken on the motion to recommend passage of H. F. No. 453, as amended, and the roll was called. There were 75 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dawkins	Johnson, A.	Krueger
Battaglia	Carlson, D.	DeBlieck	Johnson, R.	Larsen
Bauerly	Carlson, L.	Dempsey	Kelly	Lieder
Beard	Carruthers	Greenfield	Kelso	McEachern
Begich	Clark	Jacobs	Kinkel	McKasy
Bertram	Cooper	Jefferson	Knuth	McLaughlin
Blatz	Dauner	Jensen	Kostohryz	Milbert

Minne	Olson, K.	Reding	Simoneau	Vellenga
Morrison	Orenstein	Rest	Solberg	Voss
Murphy	Otis	Rice	Stanius	Wagenius
Nelson, C.	Pappas	Riveness	Steenma	Welle
Neuenschwander	Pelowski	Rodosovich	Tjornhom	Wenzel
O'Connor	Peterson	Rukavina	Trimble	Winter
Ogren	Price	Sarna	Tunheim	Wynia
Olsen, S.	Quinn	Scheid	Uphus	Spk. Vanasek

Those who voted in the negative were:

Anderson, R.	Forsythe	Jennings	Poppenhagen	Sparby
Bennett	Frederick	Johnson, V.	Quist	Sviggum
Bishop	Frerichs	Kalis	Redalen	Swenson
Burger	Hartle	Knickerbocker	Rose	Thiede
Clausnitzer	Haukoos	Marsh	Schafer	Tompkins
DeRaad	Heap	Miller	Schreiber	Valento
Dille	Himle	Onnen	Shaver	Waltman
Dorn	Hugoson	Osthoff	Skoglund	

The motion prevailed.

MOTIONS AND RESOLUTIONS

Osthoff moved that the name of Norton be stricken and the name of Kostohryz be added as an author on H. F. No. 4. The motion prevailed.

Jaros moved that the name of Osthoff be added as chief author on H. F. No. 954. The motion prevailed.

Otis moved that the name of Schoenfeld be stricken and the name of Sparby be added as chief author on H. F. No. 1253. The motion prevailed.

Jefferson moved that the names of Carlson, D.; Murphy and Long be added as authors on H. F. No. 1815. The motion prevailed.

Jefferson moved that the name of McLaughlin be added as an author on H. F. No. 1847. The motion prevailed.

Bauerly moved that the names of Schreiber and Lasley be added as authors on H. F. No. 1882. The motion prevailed.

Bauerly moved that the names of Schreiber and Lasley be added as authors on H. F. No. 1883. The motion prevailed.

Johnson, A., moved that the name of Clark be added as an author on H. F. No. 2040. The motion prevailed.

Orenstein moved that the names of Ogren, Greenfield, Gruenes

and Clark be added as authors on H. F. No. 2083. The motion prevailed.

Bauerly moved that the names of Sparby and Wenzel be added as authors on H. F. No. 2085. The motion prevailed.

Vellenga moved that the name of Wynia be added as an author on H. F. No. 2130. The motion prevailed.

Wagenius moved that the names of Vellenga and Osthoff be added as authors on H. F. No. 2134. The motion prevailed.

Sparby moved that the name of Neuenschwander be added as an author on H. F. No. 2185. The motion prevailed.

Swenson moved that the name of Kelly be stricken and the name of Pappas be added as an author on H. F. No. 2204. The motion prevailed.

Gruenes moved that the name of Omann be added as an author on H. F. No. 2207. The motion prevailed.

Rodosovich moved that his name be stricken as an author on H. F. No. 2222. The motion prevailed.

Jefferson moved that the name of Clark be added as an author on H. F. No. 2224. The motion prevailed.

Jefferson moved that the name of Clark be added as an author on H. F. No. 2247. The motion prevailed.

Carruthers moved that the name of Scheid be added as an author on H. F. No. 2252. The motion prevailed.

Rodosovich moved that the name of Clark be added as an author on H. F. No. 2271. The motion prevailed.

Krueger moved that H. F. No. 2228 be recalled from the Committee on Education and be re-referred to the Committee on Judiciary. The motion prevailed.

Olsen, S., moved that H. F. No. 2319 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be re-referred to the Committee on Judiciary. The motion prevailed.

Clark moved that H. F. No. 1893 be recalled from the Committee

on Education and be re-referred to the Committee on Economic Development and Housing. The motion prevailed.

Cooper moved that H. F. No. 2407 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Judiciary. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, March 3, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, March 3, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-THIRD DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 3, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend John Tanner, Southtown Baptist Church, Bloomington, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Larsen	Otis	Skoglund
Battaglia	Frerichs	Lieder	Ozment	Solberg
Bauerly	Greenfield	Long	Pappas	Sparby
Begich	Gruenes	Marsh	Pauly	Stanius
Bennett	Gutknecht	McDonald	Pelowski	Steensma
Bertram	Hartle	McEachern	Peterson	Sviggum
Bishop	Haukoos	McKasy	Poppenhagen	Swenson
Blatz	Heap	McLaughlin	Price	Thiede
Boo	Himle	McPherson	Quinn	Tjornhom
Brown	Hugoson	Milbert	Quist	Tompkins
Burger	Jacobs	Miller	Redalen	Trimble
Carlson, D.	Jaros	Minne	Reding	Tunheim
Carlson, L.	Jefferson	Morrison	Rest	Uphus
Carruthers	Jennings	Munger	Rice	Valento
Clark	Johnson, A.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, R.	Nelson, C.	Riveness	Voss
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	Ogren	Rukavina	Welle
DeBlick	Kinkel	Olsen, S.	Sarna	Wenzel
Dempsey	Kludt	Olson, E.	Schafer	Winter
DeRaad	Knickerbocker	Olson, K.	Schreiber	Wymia
Dille	Knuth	Omann	Segal	Spk. Vanasek
Dorn	Kostohryz	Onnen	Shaver	
Forsythe	Krueger	Orenstein	Simoneau	

A quorum was present.

Beard; Jensen; Kahn; Kalis; Lasley; Nelson, D.; O'Connor; Osthoff; Scheid and Seaberg were excused.

Anderson, R., was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Haukoos 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.

The Honorable Roger J. Carrick, Her Majesty's Consul-General, British Consulate-General, Chicago, Illinois, addressed the body.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1748, 2056, 2180, 1710, 1784, 1876, 1989, 2039, 2083; 10, 577, 2123, 2132, 1659 and 453 and S. F. Nos. 1574 and 1643 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 93, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not abridged; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 322, A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1986, section 352B.08, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987. Supplement, section 352B.08, subdivision 2, is amended to read:

Subd. 2. [NORMAL RETIREMENT ANNUITY.] The annuity must be paid in monthly installments. The annuity shall be equal to the amount determined by multiplying the average monthly salary of the member by 2½ percent for each year and pro rata for

completed months of service ~~not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years.~~

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1988."

Amend the title as follows:

Page 1, line 3, delete "1986" and insert "1987 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 704, A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative and judicial review; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivisions 5b, 5c, and 6; 169.1261; and 171.29, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.041, is amended to read:

168.041 [IMPOUNDING REGISTRATION PLATES AND CERTIFICATES.]

Subdivision 1. When ~~any~~ a person is convicted of driving a motor vehicle after the suspension ~~or~~, revocation ~~or~~ cancellation of the ~~drivers person's driver's~~ license or driving privileges of ~~such person~~, the court shall require the registration plates and registration ~~certificates~~ certificate of ~~any the~~ motor vehicle involved in ~~such the~~ violation owned by ~~such the~~ person or registered in that the person's name to be surrendered to the court. ~~Upon surrender thereof The~~ court shall issue a receipt ~~therefor~~ for the surrendered registration plates and registration certificate.

If the violator is not the owner of ~~such the~~ motor vehicle, the court shall require the registration plates and ~~the~~ registration certificate of ~~any the~~ motor vehicle to be surrendered to the court if the vehicle was used by the violator, with the permission of the owner who and

the owner had knowledge of the fact that the violator's drivers driver's license had been revoked or suspended prior to the commission of the offense, to be surrendered to the court.

Subd. 2. If any a person is convicted of violating any a law or municipal ordinance, except a parking laws or ordinances law or ordinance, regulating the operation of motor vehicles on the streets or highways, and the record of such the person so convicted shows a previous conviction for driving after suspension or revocation of the person's driver's license or driving privileges, the court may direct the commissioner of public safety to suspend the driver's license of such the person for a period not exceeding one year. The court may also require the registration plates and registration certificates certificate of any motor vehieles vehicle owned by the violator or registered in the violator's name to be surrendered to the court.

Subd. 3. Except as otherwise provided in subdivision 3a, if a person is convicted of any an offense which that makes mandatory the revocation of the drivers person's 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 certificate of any motor vehicle owned by such the person or any motor vehieles vehicle registered in that the person's name to be surrendered to the court.

Subd. 3a. If a person's driver's license or driving privileges are revoked pursuant to a second violation of section 169.121 or 169.123 within five years, or a third or subsequent violation of section 169.121 or 169.123 within ten years, the court shall issue an impoundment order requiring the surrender of the registration plates and registration certificate of any motor vehicle owned by, registered, or leased in the name of the violator, including vehicles registered or leased jointly in the name of the violator and the violator's spouse and any vehicle involved in the violation if the vehicle owner was a passenger at the time of the violation. This requirement does not apply to rental motor vehicles, as defined in subdivision 10. An impoundment order must be issued under this subdivision when the driver appears in court on a criminal charge or civil driver's license matter arising out of the incident resulting in the most recent license revocation, whichever hearing occurs first. If no criminal charge or civil license matter is initiated in court, the attorney general may request an impoundment order under this subdivision in municipal or county court, or the unified district court in the jurisdiction where the violation of section 169.121 or 169.123 occurred.

In determining whether to issue an impoundment order, the court may rely on the following:

- (1) certified or uncertified copies of the violator's driving record;

(2) certified or uncertified copies of vehicle registration records;

(3) other relevant documentation; and

(4) oral or written arguments made by the violator, the violator's counsel, or the prosecutor concerning whether the requisite elements of an order of impoundment are present.

Subd. 4. Except as provided in subdivision 6 or subdivision 7, the court shall retain custody of the surrendered plates and certificates. Within three days after the court issues an impoundment order, the registration plates and certificates must be surrendered to the court. The court shall forward surrendered registration certificates to the registrar of motor vehicle within seven days. The court may destroy the surrendered registration plates. Except as provided in subdivision 5, 6, or 7, no new registration plates may be issued to the violator or owner until such time as the drivers driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Subd. 4a. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner of public safety. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates and a registration certificate to the owner of the vehicle if the owner's driver's license or driving privileges were not revoked under section 169.121 or 169.123 and the owner was not a passenger in the vehicle at the time of the violation.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b.

Subd. 5. At the time of ordering the surrender of the registration plates and registration certificates of a 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 the surrendered plates and certificates are returned to the violator or owner by the court. If the driver's license revocation that is the basis for an impoundment order is

rescinded, the registrar of motor vehicles shall issue new registration plates and a registration certificate for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation.

Subd. 6. Any such (a) A violator or owner may apply to the registrar of motor vehicles commissioner for new registration plates, which shall must bear a special series number which may of numbers or letters so as to 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 commissioner may authorize the issuance of special plates if (1) a member of the violator's household has a valid driver's license, (2) the violator or owner has a limited license issued under section 171.30, or (3) the owner is not the violator and the owner has a valid or limited license or a member of the owner's household has a valid driver's license. The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested. The commissioner may not authorize the issuance of special plates unless the court that impounded the vehicle's plates gives written approval for the issuance of the special plates.

(b) Until the drivers driver's license of such the violator is reinstated or reissued, the violator shall inform the commissioner that an impoundment order is in effect when requesting any new registration plates issued to the violator or to an owner whose plates have been impounded shall bear a special series number.

Subd. 7. If An owner wishes to may not 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, unless the owner may apply applies to the court which that impounded such the 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 issue new registration plates. After the time the registration plates and certificate of registration certificate are impounded have been ordered surrendered to the court under this section, if the title to said the motor vehicle is transferred by the foreclosure of a chattel mortgage, the

cancellation 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 certificate and 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 motor vehicle taxes thereon shall~~ must be paid.

Subd. 9. Any A person who fails to surrender any impounded registration plates or a registration certificates certificate to the court upon demand or under this section, who operates any a motor vehicle on a street or highway at a time when a court has ordered the surrender of its registration plates and registration certificate, or who fails to comply with subdivision 6, paragraph (b), is guilty of a misdemeanor.

Subd. 10. "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is involved in a violation under subdivision 3a, leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less.

Sec. 2. Minnesota Statutes 1986, section 169.123, subdivision 5b, is amended to read:

Subd. 5b. [ADMINISTRATIVE REVIEW.] At any time during a period of revocation imposed under this section a person may request in writing a review of the order of revocation by the commissioner of public safety. Upon receiving a request the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70.

The availability of administrative review for an order of revocation ~~shall have~~ has no effect upon the availability of judicial review under this section.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's impoundment order under section 168.041, subdivision 4a.

Sec. 3. Minnesota Statutes 1986, section 169.1261, is amended to read:

169.1261 [REINSTATEMENT OF DRIVING PRIVILEGES; NOTICE.]

Upon expiration of ~~any~~ a period of revocation under section 169.121 or 169.123, the commissioner of public safety shall notify the person of the terms upon which driving privileges can be reinstated, and new registration plates issued, which terms are: (1) successful completion of a driving test and proof of compliance with any terms of alcohol treatment or counseling previously prescribed, if any; and (2) any other requirements imposed by the commissioner and applicable to that particular case. The commissioner shall notify the owner of a motor vehicle subject to an impoundment order under section 168.041 as a result of the violation who is not the violator of the procedures for obtaining new registration plates. The commissioner shall also notify the person that if driving is resumed without reinstatement of driving privileges or without valid registration plates and registration certificate, the person will be subject to criminal penalties.

Sec. 4. Minnesota Statutes 1986, section 171.29, is amended by adding a subdivision to read:

Subd. 3. A person whose license has been revoked under section 169.121 or 169.123 may not be issued another license at the end of the revocation period unless the person has complied with all applicable registration plate impoundment provisions of section 168.041.

Sec. 5. [DESTRUCTION OF STORED LICENSE PLATES.]

License plates surrendered to courts before the effective date of section 1 may be destroyed.

Sec. 6. [EVALUATION.]

The commissioner of public safety shall monitor and evaluate the implementation and effects of the registration plate impoundment provisions of sections 1 to 5, and shall submit a written report to the legislature by January 1, 1990, containing the commissioner's findings and recommendations.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1988, and apply to violations committed on or after that date.

Amend the title as follows:

Page 1, line 5, delete "and judicial"

Page 1, line 7, delete "subdivisions" and insert "subdivision" and delete ", 5c, and 6"

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1244, A bill for an act relating to environment; providing reciprocal access to courts and administrative agencies for injuries caused by transboundary pollution; proposing coding for new law in Minnesota Statutes, chapter 543.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1589, 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 1986, section 500.20, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, before "This" insert "To the extent provided in this subdivision,"

Page 1, line 20, delete "1987" and insert "1988"

Page 1, delete line 24 and insert:

"(2) that were created before August 1, 1958, under which a person who owns or has an interest in real property against which

such covenants, conditions, or restrictions have been filed claims a benefit of the"

Page 2, line 2, delete "1988" and insert "1989"

Page 2, line 6, delete "showing" and insert "stating"

Page 2, line 7, delete "why" and insert "that" and delete "or has not"

Page 2, line 8, delete "become" and delete "so that it" and insert "and" and after "may" insert "not"

Page 2, line 19, delete "nonprofit" and after "corporation" insert "of which" and delete the comma

Page 2, line 20, delete "membership of which" and insert "being a stockholder or member"

Page 2, line 22, delete "or"

Page 2, line 28, before the period insert "; or

(7) that were created after July 31, 1958, and before August 1, 1982, under which a person who owns or has an interest in real estate against which covenants, conditions, or restrictions have been filed claims a benefit of the covenants, conditions, or restrictions if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located during the period commencing on the 28th anniversary of the date of the deed or instrument, or the date of the probate of the will, creating them and ending on the 30th such anniversary, a notice as described in clause (2).

A notice filed in accordance with clause (2) or (7) shall delay application of this subdivision to such covenants, conditions, or restrictions for a period ending on the later of five years after the date of filing of such notice, or until final judgment is entered in an action to determine the validity of such covenants, conditions, or restrictions, provided in the case of an action the summons and complaint must be served and a notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in each county in which the real estate affected is located within five years after the date of recording or filing of the notice in accordance with clause (2) or (7)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1627, A bill for an act relating to alcoholic beverages; authorizing cities and counties to issue licenses permitting on-sales of alcoholic beverages during certain hours when on-sales are otherwise prohibited; amending Minnesota Statutes 1986, section 340A.504, subdivisions 1, 2, 3, and 6; proposing coding for new law in Minnesota Statutes, chapter 340A.

Reported the same back with the following amendments:

Page 3, line 22, delete "3:00 a.m." and insert "2:00 a.m. on Monday through Friday and 2:30 a.m. on Saturday and Sunday."

Page 3, line 23, after the period insert "Before issuing the license, the city or county must consider the effect of the license on any residential area surrounding the licensed establishment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1750, A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

Reported the same back with the following amendments:

Page 3, delete lines 1 to 3

Page 3, line 4, delete "(7)" and insert "(6)"

Page 3, line 7, delete "(8)" and insert "(7)"

Page 3, line 9, delete "(9)" and insert "(8)"

Page 3, line 11, delete "(10)" and insert "(9)"

Page 3, line 13, delete "(11)" and insert "(10)"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1755, A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1777, A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police officers and Minneapolis firefighters, their surviving spouses and dependents; amending Laws 1949, chapter 406, section 5, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 16, delete "salary"

Page 1, line 17, delete "increases" and insert "increase in the current monthly salary of a top grade patrol officer"

Page 1, line 21, after "fund" insert "or an amount equivalent in value to the total number of units payable in one month to eligible members, whichever is less"

Page 2, line 3, delete "is receiving" and insert "received"

Page 2, delete lines 11 and 12

Page 2, line 17, before the period insert "on June 1 following the determination date in any year"

Page 2, line 17, after the period insert "Payment of the annual post-retirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year."

Page 2, line 24, after the period insert "Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan."

Page 2, after line 24, insert:

“(c) In the event an eligible member dies prior to the payment of the post-retirement payment, the relief association shall pay that eligible member’s estate the amount to which the eligible member was entitled.”

“(d) The relief association shall submit a report on the amount of all post-retirement payments made pursuant to this section and the manner in which those payments were determined to the state auditor, the executive secretary of the legislative commission on pensions and retirement, and the Minneapolis city clerk.”

Page 2, line 25, delete “AND POLICE”

Page 2, line 36, delete “salary”

Page 3, line 1, delete “increases” and insert “increase in the current monthly salary of a top grade firefighter”

Page 3, line 5, after “fund” insert “or an amount equivalent in value to the total number of units payable in one month to eligible members, whichever is less”.

Page 3, line 13, delete “is receiving” and insert “received”

Page 3, delete lines 21 and 22

Page 3, line 27, before the period insert “on June 1 following the determination date in any year”

Page 3, line 27, after the period insert. “Payment of the annual post-retirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year.”

Page 3, line 34, after the period insert “Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan.”

Page 3, after line 34, insert:

“(c) In the event an eligible member dies prior to the payment of the post-retirement payment, the relief association shall pay that eligible member’s estate the amount to which the eligible member was entitled.”

“(d) The relief association shall submit a report on the amount of all post-retirement payments made pursuant to this section and the manner in which those payments were determined to the state auditor, the executive secretary of the legislative commission on pensions and retirement, and the Minneapolis city clerk.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1804, A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

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

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1832, A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1838, A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1844, A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1855, A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 21, before "or" insert a comma

Page 1, line 22, after "employee" insert "who was eligible for fully or partially state-paid insurance benefits at the time of termination of legislative service,"

Page 1, after line 23, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to all people who become former legislative employees after the effective date of the section."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1868, A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1884, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1912, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook county.

Reported the same back with the following amendments:

Page 1, line 16, after "Wilbur" insert "C." and after "Nemitz" delete "is the purchaser, he is" and insert ", Robert W. Nemitz, and Marlene Kadrie are the purchasers, they are"

Page 1, line 18, delete "him" and insert "any or all of them"

Page 1, line 19, after "Wilbur" insert "C." and after "Nemitz" insert ", Robert W. Nemitz, and Marlene Kadrie"

Page 1, line 25, after "Wilbur" insert "C." and after "Nemitz" delete "or his" and insert ", Robert W. Nemitz, or Marlene Kadrie or their"

Page 2, line 4, delete everything after the colon and insert "that part of the north 100.00 feet of government lot 4 of section 10, township 62 north, range 1 east, Cook county, Minnesota, lying easterly of the centerline of the existing United States Forest Service road."

Page 2, delete lines 5 to 9

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1913, A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 1, line 12, before the period insert "including contributions to the employer itself. "Employer" means any person having one or more employees in Minnesota and includes the state, the University of Minnesota, and any political subdivisions of the state"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1922, A bill for an act relating to crimes; repealing the prohibition against the sale of articles relating to prevention of conception or disease; repealing Minnesota Statutes 1986, section 617.251.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1923, A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [332.51] [CIVIL LIABILITY FOR THEFT FROM STORE.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Merchandise" means things that are movable and capable of manual delivery and offered for retail or wholesale sale.

(c) "Person" includes an employee of a store.

(d) "Steal" means to intentionally and without claim of right take, use, transfer, conceal, or keep possession of movable property of another without the owner's consent and with intent to deprive the owner permanently of possession of the property.

(e) "Store" means a place where merchandise is displayed, held, or offered for retail or wholesale sale.

Subd. 2. [LIABILITY FOR THEFT OF MERCHANDISE.] A person who steals merchandise or cash from a store is civilly liable to the owner of the merchandise for the retail price of the merchandise in the store when the theft occurred or the amount of the cash, plus exemplary damages of up to \$300. If the value of the merchandise or the amount of the cash exceeds \$2,000, the person shall also be liable for reasonable costs.

Subd. 3. [LIABILITY FOR THEFT OF SHOPPING CART.] A person who steals a shopping cart from a store or who, upon demand by the store, refuses to return to the store a shopping cart that is in the person's possession is civilly liable to the store for the cost of the shopping cart, plus exemplary damages of up to \$300.

Subd. 4. [LIABILITY OF PARENT OR GUARDIAN.] The provisions of section 540.18 apply to this section.

Subd. 5. [CRIMINAL ACTION.] The filing of a criminal complaint, conviction, or guilty plea is not a prerequisite to liability under this section. Payment or nonpayment of a demand for payment under subdivision 7 may not be used as evidence in a criminal action.

Subd. 6. [RECOVERY OF MERCHANDISE.] The recovery of stolen merchandise or cash by a store does not affect liability under this section, other than liability for the amount of the cash or the full retail market value of the merchandise.

Subd. 7. [RIGHT TO DEMAND PAYMENT.] A store must make a demand for payment for the liability imposed by this section before beginning an action. A demand for payment must be in writing and include a copy of this section and a description of the liability contained in this section. A demand must include a statement to the recipient that payment of the amount demanded does not prevent local authorities from proceeding with criminal prosecution and that failure to pay may result in commencement of a civil action. A

demand for payment is a prerequisite to an action for the liability imposed by this section.

Subd. 8. [ACQUITTAL; RETURN OF PAYMENT.] If a person makes a payment under this section in satisfaction of either a demand for payment or a civil judgment and subsequently is acquitted of criminal charges relating to the theft of the store's movable property or cash, the person has the right to demand a refund of the entire payment from the store. The store must return the entire payment when the person provides satisfactory proof of the acquittal, including but not limited to a certified court record or an affidavit of a court officer."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1926, A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, 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.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1943, A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1949, A bill for an act relating to appropriations;

appropriating money to the commissioner of finance for loan to the western Lake Superior sanitary district.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1950, A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, section 112.43, subdivision 1.

Reported the same back with the following amendments:

Page 3, after line 25, insert:

“Sec. 2. Minnesota Statutes 1987 Supplement, section 112.65, subdivision 2, is amended to read:

Subd. 2. [CONSTRUCTION OR IMPROVEMENT.] Construction of new drainage systems or improvements of existing drainage systems in the district must be initiated by filing a petition with the managers. In all proceedings for the construction or improvement of existing drainage systems in the district, the managers shall conform to ~~section 112.49~~ chapter 106A.”

Amend the title as follows:

Page 1, line 4, delete “section” and insert “sections”

Page 1, line 5, before the period insert “; and 112.65, subdivision 2”

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1966, A bill for an act relating to zoning; providing for filing requirements of variances to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, after "462.358" insert "462.359,"

Amend the title as follows:

Page 1, line 3, after "variances" insert "and certain official maps"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1992, A bill for an act relating to environment; authorizing the pollution control agency to train certain persons involved with sewage treatment systems and to charge a training fee; appropriating money; amending Minnesota Statutes 1986, section 115.03, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Beginch from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1999, A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2018, A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.15, subdivision 2; 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830;

Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2025, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reported the same back with the following amendments:

Page 1, line 11, after "taxes" insert ", penalties."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2029, A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.214, subdivision 2; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.214, subdivision 3; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1;

124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

Reported the same back with the following amendments:

Page 20, line 36, delete "last" and insert "previous"

Pages 24 to 28, delete sections 32 and 33

Page 48, lines 11 and 15, delete "must" and insert "may"

Page 69, after line 9, insert:

"Sec. 101. [EFFECTIVE DATES.]

Sections 8, 34, 35, 39, 60, 61, 62, 65, 82, 84, 88, 93, and 97 are effective the day following final enactment. The remaining sections are effective July 1, 1988."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 14, delete everything after the semicolon

Page 1, line 15, delete "2;"

Page 1, line 27, delete "124.214, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2036, A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Reported the same back with the following amendments:

Page 1, line 17, delete "Northeast" and insert "Northwest"

Page 2, line 17, delete "\$" and insert "\$600 per acre."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2057, A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Page 1, line 9, delete "enters the"

Page 1, line 10, delete "property of another and"

Page 1, line 11, after the fourth comma insert "horses, fur-bearing animals,"

Page 1, line 12, delete "raised for food production"

Page 1, line 14, delete "enters the"

Page 1, line 15, delete "property of another and"

Page 1, line 16, after the fourth comma insert "horses, fur-bearing animals,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2061, A bill for an act relating to workers' compensation; providing a single type of benefit for permanent partial disabilities; requiring all employers to purchase workers' compensation insurance from the state insurance fund; amending Minnesota Statutes 1986, sections 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 3e, 3f, 3i, 3j, 3l, 3r, and by adding a subdivision; 176.185, by adding a subdivision; 176.221, subdivision 6a; 176A.03, subdivision 2; Minnesota Statutes 1987 Supplement, sections 176.179; and 176A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3g, 3m, 3o, 3p, 3q, 3s, and 3t; and 176.105.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 79.252, is amended by adding a subdivision to read:

Subd. 6. [TERMINATION.] The assigned risk plan shall not issue policies or contracts for coverage for injuries occurring after December 31, 1989.

Sec. 2. Minnesota Statutes 1986, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101. If doubt exists as to the eventual permanent partial disability, payment for the ~~economic recovery compensation or impairment compensation, whichever is due,~~ pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment compensation~~ permanent partial disability benefits, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation~~ Permanent partial disability benefits pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. ~~Impairment compensation~~ Permanent partial disability benefits are payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. ~~Economic recovery compensation or impairment compensation~~ pursuant to section 176.101, but shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of ~~economic recovery compensation or impairment compensation~~ permanent partial disability against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. ~~Economic recovery compensation or impairment compensation~~ Permanent partial disability is payable for functional loss of use or impairment of function, permanent in nature, and payment there-

fore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive ~~economic recovery compensation or impairment compensation~~ permanent partial disability benefits vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving ~~economic recovery compensation or impairment compensation~~ permanent partial disability benefits, further compensation is payable pursuant to section 176.101. ~~Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.~~

Disability ratings for permanent partial disability shall be based on objective medical evidence.

Sec. 3. Minnesota Statutes 1986, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 4. Minnesota Statutes 1986, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is 66⅔ percent of the weekly wage 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 percent of the statewide

average weekly wage or the injured employee's actual weekly wage, whichever is less. 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, up to 500 weeks' payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 5. Minnesota Statutes 1986, 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 $\frac{2}{3}$ percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability up to 500 weeks except as provided in this section, payment 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 worker with work which the worker can do in a temporary partially disabled condition and the worker is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for the employee's temporary total disability.

Sec. 6. Minnesota Statutes 1986, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule:

(1) For the loss of a thumb the permanent partial disability rate at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger the permanent partial disability rate at the time of injury during 40 weeks;

(3) For the loss of a second finger the permanent partial disability rate at the time of injury during 35 weeks;

(4) For the loss of a third finger the permanent partial disability rate at the time of injury during 25 weeks;

(5) For the loss of a fourth finger, commonly called the little finger the permanent partial disability rate at the time of injury during 20 weeks;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe the permanent partial disability rate at the time of injury during 35 weeks;

(9) For the loss of a toe other than a great toe the permanent partial disability rate at the time of injury during 15 weeks;

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the permanent partial disability rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to the loss of the entire toe;

(12) For the loss of a hand, not including the wrist movement, the permanent partial disability rate at the time of injury during 195 weeks;

(13) For the loss of a hand, including wrist movement, the permanent partial disability rate at the time of injury during 220 weeks;

(14) For the loss of an arm the permanent partial disability rate at the time of injury during 270 weeks;

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) For the loss of a foot, not including ankle movement, the permanent partial disability rate at the time of injury during 140 weeks;

(17) For the loss of a foot, including ankle movement, the permanent partial disability rate at the time of injury during 165 weeks;

(18) For the loss of a leg, if enough of the leg remains to permit the

use of an effective artificial member the permanent partial disability rate at the time of injury during 195 weeks;

(19) For the loss of a leg so close to the hip that no effective artificial member can be used the permanent partial disability rate at the time of injury during 220 weeks;

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) For the loss of an eye the permanent partial disability rate at the time of injury during 160 weeks;

(22) For the complete permanent loss of hearing in one ear the permanent partial disability rate at the time of injury during 85 weeks;

(23) For the complete permanent loss of hearing in both ears the permanent partial disability rate at the time of injury during 170 weeks;

(24) For the loss of an eye and a leg the permanent partial disability rate at the time of injury during 475 weeks;

(25) For the loss of an eye and an arm the permanent partial disability rate at the time of injury during 475 weeks;

(26) For the loss of an eye and a hand the permanent partial disability rate at the time of injury during 450 weeks;

(27) For the loss of an eye and a foot the permanent partial disability rate at the time of injury during 400 weeks;

(28) For the loss of two arms, other than at the shoulder, the permanent partial disability rate at the time of injury during 500 weeks;

(29) For the loss of two hands the permanent partial disability rate at the time of injury during 500 weeks;

(30) For the loss of two legs, other than so close to the hips that no effective artificial member can be used, the permanent partial disability rate at the time of injury during 500 weeks;

(31) For the loss of two feet the permanent partial disability rate at the time of injury during 500 weeks;

(32) For the loss of one arm and the other hand the permanent partial disability rate at the time of injury during 500 weeks;

(33) For the loss of one hand and one foot the permanent partial disability rate at the time of injury during 500 weeks;

(34) For the loss of one leg and the other foot the permanent partial disability rate at the time of injury during 500 weeks;

(35) For the loss of one leg and one hand the permanent partial disability rate at the time of injury during 500 weeks;

(36) For the loss of one arm and one foot the permanent partial disability rate at the time of injury during 500 weeks;

(37) For the loss of one arm and one leg the permanent partial disability rate at the time of injury during 500 weeks;

(38) For the loss of the voice mechanism the permanent partial disability rate at the time of injury during 500 weeks;

(39) For head injuries the permanent partial disability rate at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal;

(40) For permanent partial disability resulting from injury to any internal organ the permanent partial disability rate at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals in cases on appeal;

(41) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated affecting the employability or advancement opportunity of the injured person in the employment in which the employee was injured or other employment for which the employee is then qualified or for which the employee has become qualified, the permanent partial disability rate at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 90 weeks;

(42) For permanent partial disability resulting from injury to the back the permanent partial disability rate at the time of the injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from

competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(43) When an employee sustains concurrent injuries resulting in concurrent disabilities the employee shall receive compensation only for the injury which entitled the employee to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation provided by this schedule shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling the employee to compensation therefor under this subdivision, the amount of compensation awarded, or that the employee is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by this subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the permanent partial disability rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37. In cases of permanent partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the permanent partial disability rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) For permanent partial disability resulting from injury to the body as a whole due to burns the permanent partial disability rate

at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the compensation to be paid in addition to the compensation an employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(48) The permanent partial disability payable as the result of any injury shall not exceed 750 weeks;

(49) The compensation rate for permanent partial disability shall be the weekly rate payable for temporary total disability, under section 176.101, subdivision 1, per week.

Sec. 7. Minnesota Statutes 1986, section 176.101, subdivision 3r, is amended to read:

Subd. 3r. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving ~~economic recovery compensation or impairment compensation in periodic amounts~~ permanent partial disability compensation dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the ~~periodic economic recovery or impairment~~ permanent partial disability compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the ~~periodic economic recovery or impairment~~ permanent partial disability compensation shall continue to be paid to the surviving spouse for up to ten years after the last child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) If the deceased employee leaves a dependent child, as defined by section 176.111, and no dependent spouse, the ~~periodic economic recovery or impairment~~ permanent partial disability compensation shall continue to be paid to the child until the child is no longer dependent or until the amount to which the employee was entitled to receive is exhausted, whichever is later.

(d) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3a or 3b is reached prior to the end of the ten-year period except

as provided in clause (c). If the deceased employee is not survived by dependent children or a dependent spouse as defined in section 176.111, no further ~~economic recovery compensation or impairment~~ permanent partial disability compensation is payable to any person.

(e) If the death results from the injury, the payment of ~~economic recovery compensation or impairment~~ the permanent partial disability compensation shall cease upon the death and in lieu thereof death benefits are payable pursuant to section 176.111.

Sec. 8. Minnesota Statutes 1986, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel and custodial day care during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) Any other expense agreed to be paid.

Until January 1, 1990, an employer is not liable for the cost of services of any qualified rehabilitation consultant or rehabilitation vendor that exceeds the average amount charged by the consultant or vendor for those services on January 1, 1988.

Sec. 9. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The schedule that was in effect on January 1, 1988, shall remain in effect until January 1, 1990. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 10. Minnesota Statutes 1987 Supplement, 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 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, death benefits, or weekly payments of ~~economic recovery or impair-~~

~~ment compensation~~ permanent partial disability shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Sec. 11. Minnesota Statutes 1986, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability; provided that no employer may self-insure after December 31, 1989. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. The commissioner of commerce may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon.

This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 12. Minnesota Statutes 1986, section 176.185, is amended by adding a subdivision to read:

Subd. 11. [CONTINUING LIABILITY.] Insurers remain liable under all policies of insurance written before January 1, 1990, for any injuries occurring before that date.

Sec. 13. Minnesota Statutes 1986, section 176.185, is amended by adding a subdivision to read:

Subd. 12. [RATES FOR NEW POLICIES.] For policies issued after the effective date of this section, including all renewals, an insurer may not charge more than the rates filed with the commissioner of commerce, under section 79.56, that were in effect on January 1, 1988.

Sec. 14. Minnesota Statutes 1986, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT PERMANENT PARTIAL COMPENSATION.] The penalties provided by this section apply in cases where payment for treatment under section 176.135, or rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment or permanent partial compensation~~ are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 15. Minnesota Statutes 1987 Supplement, section 176A.02, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED.] The fund is created as a nonprofit independent public corporation for the purpose of insuring employers against liability for personal injuries for which their employees may be entitled to benefits under chapter 176. The fund must be organized as a domestic mutual insurance company. The fund shall insure all employers in Minnesota that are required to provide insurance under chapter 176, including the state or municipal subdivisions or those employers that, before January 1, 1990,

qualified as self-insured under section 176.181. The fund shall also provide insurance to employers who elect coverage under chapter 176.

Sec. 16. Minnesota Statutes 1986, section 176A.03, subdivision 2, is amended to read:

Subd. 2. [INSURE WORKERS' COMPENSATION LIABILITY.] The fund ~~may~~ shall insure ~~an~~ every employer that is required or elects to provide insurance under chapter 176 after December 31, 1989, against any workers' compensation claim arising out of and in the course of employment, as fully as any other insurer. The fund may insure employers who elect coverage under chapter 176.

Sec. 17. Minnesota Statutes 1987 Supplement, section 176A.08, is amended to read:

176A.08 [EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.]

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A, and 43A. However, the fund shall be subject to sections 179A.01 to 179A.25. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B, and the commissioner of commerce has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B, except that the state fund shall not be subject to any premium to surplus requirements or to the minimum surplus requirements of section 60A.07. The fund is considered an insurer for the purposes of chapters 60C, 72A, 79, and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15. As a condition of its authority to transact business in this state the fund shall be a member of the workers' compensation reinsurance association and is bound by its plan of operation.

Sec. 18. [176A.12] [MANDATORY PARTICIPATION.]

Subdivision 1. [ALL EMPLOYERS MUST INSURE WITH FUND.] After December 31, 1989, every employer, including the state and its municipal subdivisions, liable under chapter 176 to pay compensation shall insure payment of compensation with the state insurance fund.

Subd. 2. [TRANSITION; LOW-RISK EMPLOYERS.] After December 31, 1988, the fund must insure every employer applying for insurance if the employer has not been liable for workers' compensation benefits, other than medical benefits, for any injury or death occurring after December 31, 1983.

Sec. 19. [176A.13] [EMPLOYERS TO FURNISH INFORMATION; ACCESS TO INFORMATION; CONFIDENTIALITY.]

Subdivision 1. [EMPLOYER INFORMATION.] Every employer shall furnish the manager, upon request, all information required by him to carry out the purposes of this chapter. The manager, or any person employed by the manager for that purpose, shall have the right to examine under oath any employer or officer, agent or employee of any employer. The manager shall prepare and furnish report forms for employers subject to this chapter.

Subd. 2. [GOVERNMENT INFORMATION.] Notwithstanding the provisions of any other statute, the manager may receive the following information:

(a) Upon written request to the state tax commissioner: The names, addresses and other identifying information of all businesses filing state tax returns or receiving a business franchise registration certificate.

(b) Upon written application to the commissioner of the department of jobs and training: The names, addresses and other identifying information of all employing units filing reports and information pursuant to chapter 268, as well as information contained in those reports regarding the number of employees employed and the gross quarterly wages paid by each employing unit.

Subd. 3. [CONFIDENTIALITY.] All information acquired by the commissioner pursuant to subdivision 2 shall be used only for auditing premium payments and registering businesses.

Information acquired by the manager pursuant to subdivision 1 or 2 shall be considered private data on individuals under section 13.02, subdivision 12, or protected nonpublic data under section 13.02, subdivision 13.

Sec. 20. [176A.14] [CLASSIFICATION OF INDUSTRIES; ACCOUNTS; EXPERIENCE RATING.]

Subdivision 1. [CLASSIFICATIONS.] The manager shall classify all occupations or industries, in accordance with the nature of the business and the degree of hazard. The manager may reclassify such industries into groups or classes at any time, and to create additional groups or classes. The manager may make necessary expenditures to obtain statistical and other information to establish the classes provided for in this section.

Subd. 2. [ACCOUNTS.] The manager shall keep an accurate account of all money paid or credited to the compensation fund, and of the liability incurred and disbursements made against same; and

an accurate account of all money received from each individual subscriber; and of the liability incurred and disbursements made on account of injuries and death of the employees of each subscriber; and of the receipts and incurred liability of each group or class.

In compensable fatal and total permanent disability cases, the amount charged against the employer's account shall be the estimated average incurred loss of such cases to the fund.

Subd. 3. [PREMIUMS.] The manager shall fix and maintain basic rates of premiums which shall be the lowest possible rates of premiums necessary to maintain a solvent workers' compensation fund and the creation and maintenance of a reasonable surplus in each classification, after providing for the payment to maturity of all liability incurred by reason of injury or death to employees entitled to benefits under this chapter. The manager shall use a method of premium calculation consistent with recognized actuarial principles of workers' compensation insurance. The manager may adjust rates annually, or at other times if necessary to maintain fund solvency, including adjustments necessary to fund benefits incurred by bankrupt and delinquent employers.

Subd. 4. [EXPERIENCE RATING.] Notwithstanding any provision to the contrary in chapter 79, the manager may fix premium rates pursuant to multiple rating plan levels, not to exceed three within a single business classification; the specific rating plan level to be applied is determined by risk factors other than premium size; provided, that if any classification has a sufficient number of employers with considerable difference in their degrees of hazard or experience, the manager may fix a rate for any subscriber of such classification, based upon the employer's experience record for a period not to exceed five years ending December 31 of the year preceding the year in which the rate is to be effective; the liability part of such record shall include cases that have been acted upon during such period, irrespective of the date the injury was received; and any subscriber in a classification so rated, whose record for such period cannot be obtained, shall be given a rate based upon the subscriber's record for any part of such period as may be deemed just and equitable by the manager. The manager may fix a reasonable minimum and maximum for any classification to which this individual method of rating is applied, and to add to the rate determined from the employer's record such amount as is necessary to liquidate any deficit as to create a reasonable surplus.

Subd. 5. [NOTICE TO EMPLOYERS.] The manager must notify every employer of any change in rate. The manager must also furnish each employer annually, or more often upon request, a statement giving the name of each employee who was paid for an injury and the amounts so paid during the period covered by the statement.

Sec. 21. [176A.15] [APPLICATION; PAYMENT OF PREMIUMS; PAYROLL REPORT; PREMIUMS; DEPOSITS.]

Subdivision 1. [PAYMENT.] For the purpose of creating a workers' compensation fund, each employer who is required to subscribe to the fund or who elects to subscribe to the fund, shall pay premiums calculated as a percentage of the employer's payroll at the rate determined by the manager. At the time each employer subscribes to the fund, the employer shall submit an application required by the manager and prepay a premium equal to the first year's estimated premium payment. The minimum premium to be paid by any employer shall be \$40.

Thereafter, premiums shall be paid annually on or before the last day of the premium year, and shall be the prescribed percentage of the total earnings of all employees during the preceding year.

At the time each premium is paid, every subscribing employer shall make a payroll report to the manager for the preceding year. The manager may audit each employer annually to determine whether sufficient premium was paid. The report shall be on the form prescribed by the manager.

Subd. 2. [ACCOUNTS.] All premiums and premium deposits required to be paid by this chapter shall be paid by the employers to the fund, which shall maintain record of all sums so received.

Sec. 22. [176A.16] [DELINQUENCY; DEFAULT; REINSTATEMENT; PAYMENT OF BENEFITS; NOTICE TO EMPLOYEES.]

Subdivision 1. [DELINQUENCY.] Failure of an employer to timely pay premium, to timely file a payroll report, or to maintain an adequate premium deposit, shall cause the employer's account to become delinquent. No employer will be declared delinquent or be assessed any penalty if the manager determines that such delinquency has been caused by delays in the administration of the fund. The manager shall, in writing, within 60 days of the end of the premium year, notify all delinquent employers of their delinquency and demand the filing of the delinquent payroll report and payment of delinquent premiums, or insufficient deposits and any interest owed, before the end of the third month following the end of the preceding premium year.

Subd. 2. [NOTICE OF DELINQUENCY.] The notification of delinquency shall explain the legal consequence of subsequent default by employers required to subscribe to the fund, and the effects of termination of any electing employer's account.

Subd. 3. [FAILURE TO RESOLVE DELINQUENCY.] An employer who fails to resolve a delinquency within the prescribed

period under subdivision 1, shall be in default. In addition to being subject to this chapter, the employer shall be deemed an uninsured employer under chapter 176, subject to all penalties and other provisions of that chapter.

Subd. 4. [REINSTATEMENT.] Any employer, who is required to subscribe to the fund and subsequently defaults, or who elects to subscribe and is terminated, shall be restored immediately to the benefits and protection of chapter 176 upon the filing of all delinquent payroll and other reports required by the manager and payment into the fund of all unpaid premiums, an adequate premium deposit, accrued interest and claims losses paid during the period of delinquency and default. The penalty for interest and claims losses paid by the fund during the period of delinquency and default shall not exceed an amount equal to 50 percent of the premium otherwise due and owing for the period of delinquency and default for the period of five years immediately before receipt of the application for reinstatement. The manager may reinstate an employee under the terms of a repayment agreement, provided that the repayment agreement is null and void, and the employer shall be denied the benefits and protection of chapter 176 effective from the date that such employer's account originally became delinquent, if the employer fails to make scheduled payments under the repayment agreement, to timely pay current premiums or to restore the premium deposit to the required amount by the end of the repayment period. The manager shall prescribe the form and information needed on applications for reinstatement.

Subd. 5. [EMPLOYEE PROTECTION.] No employee of an employer required by this chapter to subscribe to the state insurance fund shall be denied benefits provided by chapter 176 because the employer failed to subscribe or because the employer's account is either delinquent or in default. For injuries after December 31, 1989, such employees or employee dependents, shall be paid compensation from the fund, rather than the special compensation fund.

Subd. 6. [RIGHT OF ACTION.] The provisions of chapter 176 or 176A shall not deprive any individual of any cause of action which has accrued as a result of an injury or death which occurred during any period of delinquency not resolved in accordance with the provisions of this section, or after the failure to comply with the terms of a repayment agreement.

Subd. 7. [WITHDRAWAL.] Upon withdrawal from the fund or termination of election of any employer, the employer shall be refunded any balance due.

Subd. 8. [NOTICE.] The manager shall notify the commissioner of labor and industry, who shall notify the employees of any employer that the employer is no longer insured by the fund. The notice shall specify that the employer is delinquent under the workers' compen-

sation law; and, in the case of employers required by this chapter to subscribe and pay premiums to the fund, that the delinquent employer may be liable to employees for injuries under either workers' compensation law or common law or statute; and, in the case of employers not required by this chapter to subscribe and pay premiums to the fund, but voluntarily electing, that neither the employer nor the employees of such employer are protected by the workers' compensation law as to any injury sustained after the date specified in said notice. Such notice shall be in the form prescribed by the commissioner and must be posted in a conspicuous place at the employer's principal place of employment.

Sec. 23. [176A.17] [PREMIUMS FROM DEFAULTING EMPLOYERS; CIVIL REMEDIES; SECRETARY OF STATE TO WITHHOLD CERTIFICATES OF DISSOLUTION.]

Subdivision 1. [CIVIL ACTION.] The fund may commence a civil action against an employer who, after due notice, defaults in any payment required by this chapter. If judgment is against the employer the employer shall pay the costs of the action.

Subd. 2. [LIENS.] Any payment and interest thereon due and unpaid under this chapter shall be a personal obligation of the employer and shall, in addition thereto, be a lien enforceable against all the property of the employer.

Subd. 3. [INSOLVENCY.] If a business subject to the payments under this chapter shall be operated in connection with a receivership or insolvency proceeding in any Minnesota court, the court under whose direction such business is operated shall make provisions, so far as the assets in administration will permit, for the regular payment of such payments as the same became due.

Subd. 4. [CERTIFICATE OF DISSOLUTION.] The secretary of state of this state shall withhold the issuance of any certificate of dissolution or withdrawal in the case of any corporation organized under the laws of this state or admitted to do business in this state, until notified by the state insurance fund that all payments and interest owed by the corporation has been paid or that provision satisfactory to the manager has been made for payment.

Subd. 5. [EQUITABLE RELIEF.] If an employer required to subscribe to the fund defaults in payments of premium, premium deposit, or interest and the manager has been unable to collect such payments by civil remedies, the manager may bring an action to enjoin such employer from continuing to carry on the business in which such liability was incurred; provided, that the manager may, as an alternative, require such delinquent employer to file a bond in the form prescribed by the manager with satisfactory surety in an amount not less than 50 percent more than the payments and interest due.

Sec. 24. [REPEALER.]

Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3s, and 3t; and 176.105, are repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 8, 9, and 13 are effective the day following final enactment. The remaining sections are effective October 1, 1988.

Delete the title and insert:

“A bill for an act relating to workers’ compensation; regulating eligibility for benefits; providing a single type of benefit for permanent partial disabilities; requiring all employers to purchase workers’ compensation insurance from the state insurance fund; amending Minnesota Statutes 1986, sections 79.252, by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 3r, and by adding a subdivision; 176.102, subdivision 9; 176.136, subdivision 1; 176.181, subdivision 2; 176.185, by adding subdivisions; 176.221, subdivision 6a; 176A.03, subdivision 2; Minnesota Statutes 1987 Supplement, sections 176.179; 176A.02, subdivision 1; and 176A.08; proposing coding for new law in Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3s, and 3t; and 176.105.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2063, A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 15, delete “Public Law Number 93-638,” and insert “United States Code, title 25, section 450b”

Page 1, line 16, delete “section 4”

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2092, A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2095, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivision 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

Reported the same back with the following amendments:

Page 5, line 13, delete "\$35" and insert "\$25"

Page 10, line 31, after "file" insert "either (a)"

Page 10, line 34, after the comma insert "or (b) with the secretary of state,"

Page 32, after line 30, insert:

"Sec. 44. Minnesota Statutes 1986, section 333.055, subdivision 1, is amended to read:

Subdivision 1. Filing of a certificate hereunder shall be effective for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal.

The secretary of state shall notify each person filing business holding a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the person business at least six months prior to the certificate's expiration date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 28, delete the first "subdivision" and insert "subdivisions 1 and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2182, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI, establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislation commission and an advisory committee; proposing coding for new law as Minnesota Statutes, chapter 115C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. [AMENDMENT.] The following amendment to the Minnesota Constitution, adding a section to article XI, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 14. A Minnesota environment and natural resources trust fund is established that annually shall receive state appropriations, including two cents per pack from taxes on cigarettes, until the year 2015, at which time state appropriations to the fund must cease. State contributions to the fund may not exceed \$1,000,000,000.

Subd. 2. [SUBMISSION TO VOTERS.] The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to establish a Minnesota environment and natural resources trust fund that shall receive state appropriations until the year 2015?”

Yes
No

Sec. 2. [115C.01] [FINDINGS.]

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state’s environment and natural resources for the benefit of current citizens and future generations. Proper management of the state’s environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

Sec. 3. [115C.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 13.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the advisory committee created in section 7.

Subd. 3. [COMMISSION.] "Commission" means the Minnesota future resources commission created in section 6.

Subd. 4. [TRUST FUND.] "Trust fund" means the Minnesota environment and natural resources trust fund.

Sec. 4. [115C.03] [PURPOSE AND INTENT OF TRUST FUND.]

Subdivision 1. [PURPOSE.] The purpose of the Minnesota environment and natural resources trust fund is to ensure that the environment and natural resources of the state will be protected, conserved, preserved and enhanced for current citizens and for future generations. Expenditures from the trust fund must be made only for activities that provide or contribute to long-term protection, conservation, preservation, or enhancement of the state's air, water, land, fish, wildlife, native vegetation, and other natural resources.

Subd. 2. [INTENT.] It is the intent of the legislature that the trust fund not be used as a substitute for traditional sources of funding environmental and natural resources activities, but that the trust fund supplement those traditional sources, including those sources used to support the categories established in section 9, subdivision 1. The trust fund must be used to primarily support activities whose benefits become available only over an extended period of time.

Sec. 5. [115C.04] [TRUST FUND ACCOUNT.]

Subdivision 1. [ESTABLISHMENT OF ACCOUNT AND INVESTMENT.] A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, if approved by the voters in the 1988 general election, is established as an account in the state treasury. The commissioner of finance shall credit to the trust fund all amounts authorized under section 1 and shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund account and remains available until expended. The principal of the trust fund and any unexpended interest must be invested and reinvested by the state board of investment. The trust fund earns its proportionate share of the total annual state investment income.

Subd. 2. [REVENUE.] Revenue collected in accordance with this

section must be deposited monthly in the trust fund account. Nothing in sections 1 to 14 limit the source of contributions to the trust fund.

Subd. 3. [GIFTS AND DONATIONS.] Gifts and donations, including land or interests in land, may be made to the trust fund. Gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may remain in their present form or be disposed of for cash at the option of the commission. The cash receipts of gifts and donations of cash or capital assets and marketable securities turned into cash must be credited immediately to the principal of the trust fund. The present value of marketable securities obtained as gifts and donations must be considered as part of the trust fund and any earnings generated must be treated as an earning of the trust fund.

Subd. 4. [TRANSFER OF BALANCES.] After June 30, 1989, balances remaining in the Minnesota resources fund under section 297.13, subdivision 1, must be transferred to the trust fund account created by subdivision 1.

Subd. 5. [AUDITS REQUIRED.] (a) The Minnesota future resources commission shall select a certified public accountant to annually audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.

(b) The legislative audit commission shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

Sec. 6. [115C.05] [MINNESOTA FUTURE RESOURCES COMMISSION.]

A Minnesota future resources commission of 16 members, consisting of the chairs of the house and senate committees on environment and natural resources, the chairs of the house appropriations and senate finance committees, six members of the senate appointed by the majority leader and six members of the house appointed by the speaker, shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 9. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission. The commission may adopt bylaws and operating procedures to fulfill their duties under this act.

Sec. 7. [115C.06] [ADVISORY COMMITTEE.]

An advisory committee of 15 members, consisting of the commis-

tioners of natural resources, the pollution control agency, the department of health, and the state planning agency; the chairs of the waste management board, the environmental quality board, and the board of water and soil resources; a representative of the University of Minnesota or the state university system appointed by the governor; and seven citizen members appointed by the governor, with not more than three from the seven-county metropolitan area, shall advise the Minnesota future resources commission on project proposals to receive funding from the trust fund and the development of budget and strategic plans. Citizen members shall be appointed so that the following interests are represented:

- (1) environment;
- (2) fish and wildlife;
- (3) labor;
- (4) business; and
- (5) agriculture.

The governor's appointees must be confirmed by the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575. Notwithstanding section 15.06, subdivision 6, members of the advisory committee may not delegate their responsibilities to any other person.

Sec. 8. [115C.07] [RESOURCES CONGRESS.]

The advisory committee must convene a resources congress at least once every biennium. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the Minnesota future resources commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects.

Sec. 9. [115C.08] [TRUST FUND EXPENDITURES; EXCEPTIONS; PLANS.]

Subdivision 1. [EXPENDITURES.] Money in the trust fund may be spent for:

- (1) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(2) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(3) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, fish, wildlife, and other natural resources;

(4) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(5) capital projects for the preservation and protection of unique natural resources; and

(6) activities that preserve or enhance fish, wildlife, and other natural resources that otherwise may be lost forever to the citizens of Minnesota.

Subd. 2. [EXCEPTIONS.] No expenditure from the trust fund may be made for:

(1) purposes of environmental compensation and liability under chapter 115B;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162; or

(3) costs associated with the decommissioning of nuclear power plants.

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The strategic plan must be updated every two years. Project proposals inconsistent with the strategic plan are not eligible for funding from the trust fund.

(b) The advisory committee shall develop the initial outline of the plan, taking into consideration the categories established in subdivision 1. The advisory committee shall place an outline of the strategic plan before the resources congress for review and comment and develop a draft strategic plan based on comments made by the resources congress before submitting it to the commission for approval.

(c) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding must be referred to the advisory committee for recommendation, except that research proposals first must be reviewed by the peer review panel created in this section. The advisory committee must review all project proposals for funding and make recommendations to the commission on whether:

(1) the projects meet the standards and funding categories set forth in sections 2 to 13;

(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and

(3) the projects are consistent with the most recent strategic plan adopted by the commission.

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Expenditures from the trust fund are subject to approval by the legislative appropriations process and approval by the governor, except that individual projects must be approved or not approved in their entirety and new projects may not be added. Funding for any project not approved by the governor and the legislature must be returned to the trust fund account and remains available until expended.

Subd. 5. [PUBLIC MEETINGS.] All advisory committee and commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation from the trust fund.

In conducting these reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any;

(3) comment on whether the research proposed meets the categories of subdivision 1; and

(4) report to the commission and advisory committee on clauses (1) to (3).

(b) The peer review panel also must review completed research proposals that have received an appropriation from the trust fund and comment and report upon whether the project reached the intended goals.

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five but not more than 11 members who are knowledgeable in general research methods, including but not limited to the areas of air quality research, water research, fish and wildlife management research, environmental health research, and soil conservation research.

(b) Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059. The commission may select additional temporary members for any research proposal deemed to be too technical for adequate peer review by the panel in paragraph (a). Members of the peer review panel shall elect a chair every two years, who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

Sec. 10. [115C.09] [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The commission may appoint legal and other personnel and consultants necessary to carry out their functions and duties as well as those of the advisory committee. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and advisory committee and an agency must promptly furnish it.

Subd. 2. [ADMINISTRATIVE EXPENSE.] (a) For the first five years of operation, the commission shall submit to the legislature for approval a budget plan that contains a reasonable amount for administrative expenses of the commission and advisory committee. The administrative expenses of the commission and advisory committee shall be paid from the general fund until June 30, 1990.

(b) For the sixth year and thereafter, the expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total interest earned by the trust fund in the preceding fiscal year.

(c) The commission and the advisory committee must include their administrative expense in the budget plan submitted to the governor or the legislature.

Subd. 3. [CONFLICT OF INTEREST.] A commission member, advisory committee member, peer review panelist, or an employee of the commission, may not participate in or vote on a decision of the commission, advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the legislative commission, advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Subd. 4. [REPORTS REQUIRED.] The commission shall, by July 1 of each even-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund during the preceding two years;
- (3) a summary of any research project completed in the preceding two years;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next two years;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the trust fund's assets and liabilities;
- (8) a list of all gifts and donations with a value over \$1,000; and
- (9) a copy of the most recent certified financial and compliance audit.

Sec. 11. [115C.10] [ROYALTIES, COPYRIGHTS, PATENTS.]

The trust fund owns and shall take title to that percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of its total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be immediately deposited in the principal of the trust fund. At its discretion, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer after the time as the amount of the original grant or loan, plus interest, has been repaid to the trust fund. This must be done before including the project in the budget plan submitted to the legislature and the governor under section 9.

Sec. 12. [115C.11] [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

The following sums are annually available from the Minnesota environment and natural resources trust fund for the budget plan developed by the commission, subject to legislative appropriation as provided in section 9, subdivision 4:

(1) interest earnings from the trust fund generated in the preceding year;

(2) (a) during the first fiscal year following the effective date of sections 2 to 13, up to 25 percent of the revenue deposited in the trust fund;

(b) during the second year following, up to 20 percent of the revenue deposited in the trust fund the preceding year;

(c) during the third year following, up to 15 percent of the revenue deposited in the fund the previous year;

(d) during the fourth year following, up to ten percent of the revenue deposited in the fund the previous year; and

(e) in the fifth year following, up to five percent of the revenue deposited in the fund the previous year.

Any funds not expended in the biennium they become available must be returned to the principal of the trust fund.

Sec. 13. [115C.12] [NATURAL RESOURCES LOAN PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] When the principal of the trust fund equals or exceeds \$250,000,000, the commission may

vote to set aside not more than five percent of the principal of the trust fund in a natural resources loan account for investment purposes. The purpose of this account is to offer below market rate interest loans to local units of government for the purposes of water system improvements or emergency environmental protection, or both, including wastewater treatment, clean-up, and other programs consistent with the criteria established by section 9. The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c). An eligible project must prove that existing federal or state loans or grants have not been adequate for the emergency purpose. The amount of the loan, including the interest, must be repaid to the trust fund.

Subd. 2. [APPLICATION AND ADMINISTRATION.] The commission must adopt a procedure for the issuance of the natural resource loans. The commission also must ensure that the loan account is administered according to its fiduciary standards and requirements.

Subd. 3. [EXCEPTION INAPPLICABLE.] The exception noted in section 9, subdivision 2, clause 2, does not apply to loans issued from the natural resources loan account.

Sec. 14. Minnesota Statutes 1987 Supplement, section 116C.69, subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The director of the pollution control agency must prepare a work plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative commission on ~~Minnesota resources~~ waste management for review and recommendation before an assessment is levied. Each share

shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 15. Minnesota Statutes 1986, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program of the section of wildlife in the department of natural resources. All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the legislative commission on Minnesota future resources commission in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 16. Minnesota Statutes 1987 Supplement, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in a separate and special fund, designated as the tobacco tax revenue fund, in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a the Minnesota environment and natural resources trust fund for purposes of natural resources acceleration as provided in chapter 86 115C;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of

the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 17. [REPEALER.]

Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; 86.72; and 89.022, subdivision 2, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 2 to 15 are effective immediately upon approval by the voters of the constitutional amendment proposed by section 1. Sections 16 and 17 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, section 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; 86.72; and 89.022, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2197, A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.951, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 22, after "a" insert "nonlicensed"

Page 1, line 24, after "that" insert "(1) the breath test otherwise meets the standards of the department of health and (2)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2232, A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Reported the same back with the following amendments:

Page 1, line 23, reinstate the stricken language and delete the new language

Page 2, line 2, delete "2,000" and insert "1,000"

Page 2, line 3, reinstate the stricken language and delete the new language

Page 2, line 19, after the period insert "All"

Page 2, line 20, delete "as the"

Page 2, line 21, delete "original franchise" and insert "and conditions"

Page 3, line 16, delete "shall" and insert "may"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2270. A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2286. A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2292. A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665;

129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 174.031, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Reding from the Committee on Future and Technology to which was referred:

H. F. No. 2299, A bill for an act relating to economic development; appropriating certain investment earnings to the Minnesota agricultural and economic development board; providing for the organization of the department of trade and economic development; amending Minnesota Statutes 1987 Supplement, sections 41A.05, subdivision 1; and 116J.01, subdivision 3.

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.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2340, A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate training for

peace officers in recognizing, responding to, and reporting crimes of bias; proposing coding for new law in chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [626.5531] [REPORTING OF CRIMES MOTIVATED BY BIAS.]

Subdivision 1. [REPORTS REQUIRED.] A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe that the offender was motivated to commit the act by the victim's race, religion, national origin, sex, age, disability, or other identifiable characteristics identified as sexual orientation. The superintendent of the bureau of criminal apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

- (1) the date of the offense;
- (2) the location of the offense;
- (3) the target of the incident (person, private property, or public property);
- (4) the crime committed;
- (5) the type of bias (racial, religious, national origin, sex, age, disability, or other identifiable characteristics identified as sexual orientation) and information about the offender and the victim that is relevant to that bias;
- (6) any organized group involved in the incident;
- (7) the disposition of the case; and
- (8) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the department of public safety, bureau of criminal apprehension. The commissioner of public safety must summarize and analyze the information received and file an annual report with the department of human rights and the legislature.

Sec. 2. [626.8451] [TRAINING IN IDENTIFYING AND RESPONDING TO CRIMES MOTIVATED BY BIAS.]

Subdivision 1. [TRAINING COURSE.] The board must prepare a training course to assist peace officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or other identifiable characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 1. The course must be updated periodically as the board considers appropriate.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer after August 1, 1989, unless the individual has received the training described in subdivision 1.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under subdivision 1. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer must inform all peace officers within the officer's agency of (1) the requirements of section 1, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials."

Delete the title and insert:

"A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate preservice training for peace officers in recognizing, responding to, and reporting crimes of bias; requiring the board to make similar instructional materials available to peace officers for continuing education credit; proposing coding for new law in Minnesota Statutes, chapter 626."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

S. F. No. 187, A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Page 2, line 1, delete "50" and insert "2"

Page 2, after line 30 insert:

"Subd. 9. [SECURITY DEPOSIT.] "Security deposit" means any deposit of money with the owner used to secure performance under the rental agreement."

Page 3, line 12, after the period insert "No lien is created under subdivision 1 or shall attach under this subdivision to any personal property listed under subdivision 5, unless the occupant fails to remove the personal property before the sale authorized by section 4."

Page 3, line 22, after the period insert "The owner may deny the occupant access to the personal property contained in the self-service storage facility after default, service of the notice of default, expiration of the date stated for denial of access, and application of any security deposit to unpaid rent."

Page 3, line 22, after "state" insert "the date"

Page 3, line 24, after "facility" insert "and that access will be denied"

Page 3, line 27, after "occupant" insert "beginning legal action"

Page 4, line 17, after the period insert "Any notice the owner is required to mail to the occupant under sections 1 to 10 shall be sent to the mailing address and the alternate mailing address provided by the occupant in the rental agreement."

Page 4, line 21, before the comma insert "including the right to deny access to certain personal property contained in the self-service storage facility"

Page 4, after line 36 insert:

“Either in the rental agreement or otherwise in writing the occupant shall also be notified that the owner prohibits the storage of hazardous materials.”

Page 5, line 21, after the period insert “Any action begun by the owner or occupant shall be venued in the county where the facility is located. If an action to recover possession of personal property in the facility is begun by the occupant, the burden of proof shall be borne by the owner that default has occurred and the provisions of sections 1 to 10 have been followed.”

Page 6, line 5, delete “1987” and insert “1988”

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

S. F. No. 1268, A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; clarifying definitions; authorizing certain Indian tribes to create community energy councils; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.36, subdivision 1; 116J.381, subdivision 2; and Laws 1981, chapter 334, section 11, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 322, 1244, 1589, 1627, 1755, 1777, 1804, 1832, 1838, 1844, 1855, 1868, 1884, 1912, 1913, 1922, 1923, 1926, 1943, 1950, 1966, 1999, 2018, 2025, 2029, 2036, 2045, 2046, 2061, 2063, 2092, 2095, 2109, 2197, 2232, 2270, 2286, 2312 and 2340 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 187 and 1268 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Steensma, Wenzel and Winter introduced:

H. F. No. 2449, A bill for an act relating to agriculture; directing the attorney general to study ownership of Minnesota farmland by limited partnerships.

The bill was read for the first time and referred to the Committee on Agriculture.

Winter, Wenzel and Steensma introduced:

H. F. No. 2450, A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; requiring study and report to the legislature; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

The bill was read for the first time and referred to the Committee on Agriculture.

Carruthers, Skoglund, Wagenius and McKasy introduced:

H. F. No. 2451, A bill for an act relating to statutes of limitation; regulating certain actions involving asbestos; amending Minnesota Statutes 1987 Supplement, section 541.22, subdivision 2.

The bill was read for the first time and referred to the Committee on Judiciary.

Price and Vellenga introduced:

H. F. No. 2452, A bill for an act relating to trade regulation; making certain requirements for moving picture projector operators and projection rooms; granting power to state fire marshal; amending Minnesota Statutes 1986, section 299H.23; proposing coding for new law in Minnesota Statutes, chapter 299H.

The bill was read for the first time and referred to the Committee on Commerce.

Orenstein, Marsh, Tjornhom and Brown introduced:

H. F. No. 2453, A bill for an act relating to law enforcement; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Committee on Judiciary.

Begich introduced:

H. F. No. 2454, A bill for an act relating to taxation; requiring recomputation of certain corporate taxes; providing for purchase of health insurance policies for certain employees; appropriating money; amending Minnesota Statutes 1986, section 290.34, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Gruenes, McPherson, Marsh, Quinn and Begich introduced:

H. F. No. 2455, A bill for an act relating to employment; requiring training for employees of correctional facilities for exposure to infectious agents; amending Minnesota Statutes 1986, section 182.653, subdivision 4f.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Osthoff, Vellenga, Wynia, Rose and Orenstein introduced:

H. F. No. 2456, A bill for an act relating to capital improvements; providing funds for improvements at Como Park; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Cooper, Brown, Nelson, C., and Dille introduced:

H. F. No. 2457, A bill for an act relating to agriculture; establishing liability for persons injured while using private land for recreational purposes with or without charge; establishing duty of care and liability for persons using a "pick your own" farm; amending Minnesota Statutes 1986, sections 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; and 87.03.

The bill was read for the first time and referred to the Committee on Agriculture.

Pauly; Kahn; Knuth; Nelson, K., and Long introduced:

H. F. No. 2458, A bill for an act relating to environment; requiring the state board of education to require school districts to recycle paper; proposing coding for new law in Minnesota Statutes, chapter 121.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Price; Carlson, L.; Bauerly; McEachern and Dorn introduced:

H. F. No. 2459, A bill for an act relating to education; providing for faculty exchanges between secondary schools and post-secondary institutions.

The bill was read for the first time and referred to the Committee on Higher Education.

Jaros; Carlson, L.; Anderson, G.; DeRaad and Vanasek introduced:

H. F. No. 2460, A bill for an act relating to education; conditioning University of Minnesota appropriations on the restructuring of governance of the university by the board of regents.

The bill was read for the first time and referred to the Committee on Higher Education.

Rodosovich introduced:

H. F. No. 2461, A bill for an act relating to state and local governments; extending the requirement that vendors be paid promptly for goods and services to cover providers of medical and social services; setting a deadline for the resolution of disputed obligations by municipalities; amending Minnesota Statutes 1986, sections 16A.124, subdivisions 1 and 5; and 471.425, subdivisions 1 and 4.

The bill was read for the first time and referred to the Committee on Commerce.

Vellenga, Vanasek, Orenstein, Quist and Forsythe introduced:

H. F. No. 2462, A bill for an act relating to alcoholic beverages; requiring registration numbers on kegs and barrels of beer and records of their sale; increasing penalties for selling or furnishing alcoholic beverages to a minor under certain circumstances; amending Minnesota Statutes 1986, sections 340A.701; and 340A.702; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time and referred to the Committee on Judiciary.

Begich, Battaglia, Minne, Rukavina and Solberg introduced:

H. F. No. 2463, A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel introduced:

H. F. No. 2464, A bill for an act relating to motor vehicles; providing that the \$10 flat tax in lieu of excise tax applies to all passenger automobiles ten or more years old; amending Minnesota Statutes 1986, section 297B.02, subdivision 2; repealing Minnesota Statutes 1986, section 297B.025.

The bill was read for the first time and referred to the Committee on Transportation.

Ozment, Milbert, Seaberg, Jensen and Morrison introduced:

H. F. No. 2465, A bill for an act relating to parks; authorizing the acquisition and betterment of the Spring Lake Park Reserve Lake and island recreational boating development in Dakota county; authorizing the issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Pauly and Carlson, D., introduced:

H. F. No. 2466, A bill for an act relating to environment; prohibiting operation of a solid waste business after conviction of a felony;

providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time and referred to the Committee on Judiciary.

Olson, E., and Anderson, G., introduced:

H. F. No. 2467, A bill for an act relating to agriculture; appropriating money for a seller-sponsored loan program for beginning farmers.

The bill was read for the first time and referred to the Committee on Appropriations.

Anderson, G., introduced:

H. F. No. 2468, A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Olson, E.; Wenzel; Sparby; Schafer and Tunheim introduced:

H. F. No. 2469, A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

The bill was read for the first time and referred to the Committee on Agriculture.

Beard, Price and Kelly introduced:

H. F. No. 2470, A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Schafer introduced:

H. F. No. 2471, A bill for an act relating to retirement; public employees retirement association; authorizing certain public hospital employees to obtain retirement coverage; authorizing certain public hospital employees to purchase prior service credit; repealing Minnesota Statutes 1986, section 355.73, subdivision 8.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Pauly introduced:

H. F. No. 2472, A bill for an act relating to utilities; amending the definition of "high voltage transmission line"; amending Minnesota Statutes 1986, section 116C.52, subdivision 3.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Pauly introduced:

H. F. No. 2473, A bill for an act relating to utilities; requiring an electric utility to compensate property owners for the loss of large trees due to construction of a high voltage transmission line; amending Minnesota Statutes 1986, section 116C.63, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Knuth and Voss introduced:

H. F. No. 2474, A bill for an act relating to the city of Mounds View; providing an exception from the Mounds View police civil service system for the chief and deputy chief of police.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Voss and Knuth introduced:

H. F. No. 2475, A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Milbert introduced:

H. F. No. 2476, A bill for an act relating to taxation; income; restoring the pension exclusion and repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

Reding introduced:

H. F. No. 2477, A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; amending Minnesota Statutes 1987 Supplement, sections 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kelly introduced:

H. F. No. 2478, A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Nelson, K., introduced:

H. F. No. 2479, A bill for an act relating to education; providing for additional early childhood family education programs for certain children; amending Minnesota Statutes 1986, sections 121.882, subdivision 7, and by adding a subdivision; and 275.125, subdivision 8b.

The bill was read for the first time and referred to the Committee on Education.

Nelson, K., introduced:

H. F. No. 2480, A bill for an act relating to education; allowing school boards to permit certain pupils to attend school for more or less than six hours a day; requiring aids and levies to be prorated; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in chapter 124.

The bill was read for the first time and referred to the Committee on Education.

Battaglia and Begich introduced:

H. F. No. 2481, A bill for an act relating to local government; the city of Cook and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Trimble, Rose, Segal, Winter and Carlson, L., introduced:

H. F. No. 2482, A bill for an act relating to education; appropriating money for child care at community colleges.

The bill was read for the first time and referred to the Committee on Higher Education.

Rukavina, Jaros, Battaglia and Begich introduced:

H. F. No. 2483, A bill for an act relating to state lands; allowing St. Louis county to sell up to 30 percent of its tax-forfeited waterfront land for forest management purposes.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Hugoson introduced:

H. F. No. 2484, A bill for an act relating to local government; increasing the maximum amount of capital notes home rule charter cities may issue for capital equipment; amending Minnesota Statutes 1986, section 410.32.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Simoneau, Pappas and Trimble introduced:

H. F. No. 2485, A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Blatz introduced:

H. F. No. 2486, A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Jennings, Morrison, Pauly and Battaglia introduced:

H. F. No. 2487, A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; repealing Minnesota Statutes 1986, section 414.061, subdivision 5.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Simoneau, Rukavina and Solberg introduced:

H. F. No. 2488, A bill for an act relating to retirement; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; proposing coding for new law in Minnesota Statutes, chapter 355.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Battaglia, Begich, Simoneau, Trimble and Rose introduced:

H. F. No. 2489, A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reserva-

tions of public travel under certain conditions; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Tunheim introduced:

H. F. No. 2490, A bill for an act relating to state land; conveying title to state land in Kittson county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Segal introduced:

H. F. No. 2491, A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; amending Minnesota Statutes 1986, section 80C.01, subdivision 4.

The bill was read for the first time and referred to the Committee on Commerce.

Long, Pauly, Clausnitzer, Seaberg and Orenstein introduced:

H. F. No. 2492, A bill for an act relating to public safety; prohibiting assembly as a paramilitary organization for the purpose of practicing with weapons; prohibiting paramilitary training; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Judiciary.

Carlson, D., introduced:

H. F. No. 2493, A bill for an act relating to transportation; creating a navigable river safety and improvement fund; creating a bicycle trail fund and providing for its expenditure; providing for distribution of highway user tax set aside; redefining the veterans' evergreen memorial drive and providing for its development as a scenic highway; creating an outdoor recreation area road account to replace the state park road account in the county state-aid highway fund, and authorizing expenditures from the account on certain town roads; establishing priorities for counties in developing a formula for distributing money for town roads; regulating workers' compensa-

tion for truck drivers; providing that revenue from the tax on railroad diesel fuel be deposited in the rail service improvement account; providing that revenue from the tax on barge fuels be deposited in the navigable river safety and improvement fund; repealing limits on taxes imposed on gasoline and special fuel based on proximity to certain borders; providing for additional tax on gasoline and special fuel based on the percentage of motor vehicle excise tax revenues depositing annually in the highway user tax distribution fund; increasing share of motor vehicle excise tax revenues dedicated to highways and transit assistance to 35 percent; abolishing division of capitol complex security and transferring responsibilities to state patrol division of department of public safety; requiring referral by the metropolitan council to the regional transit board of light rail transit design plans submitted by regional rail authorities; removing restrictions on upgrading of certain airports; providing for the repeal of certain provisions of law relating to exchanges of highways between the state and Hennepin county if the exchanges of jurisdiction have not been accomplished by October 1, 1988; proposing an amendment to the Minnesota Constitution, article XIV, requiring the deposit of at least one-half the revenues from the motor vehicle excise tax in the highway user tax distribution fund and the transit assistance fund beginning in fiscal year 1990; creating a legislative transportation commission and providing for its duties; providing for the deposit of motor vehicle excise tax revenues in fiscal year 1989; directing a study of commercial water transportation; appropriating money; amending Minnesota Statutes 1986, sections 160.265, by adding a subdivision; 161.081; 161.082, subdivision 2a; 161.14, subdivision 6; 162.06, subdivision 5; 162.081, subdivision 4; 222.49; 296.02, subdivisions 1 and 1b; and 473.653; Minnesota Statutes 1987 Supplement, sections 296.02, subdivisions 2a and 2b; 297B.09, subdivision 1; and 473.169, subdivision 7; and Laws 1986, chapter 452, section 35; proposing coding for new law in Minnesota Statutes, chapters 84 and 299D; proposing coding for new law as Minnesota Statutes, chapter 176C.

The bill was read for the first time and referred to the Committee on Transportation.

Milbert, Steensma, Lieder, Jensen and Redalen introduced:

H. F. No. 2494, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1986, section 197.23.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Simoneau, Pappas and Rukavina introduced:

H. F. No. 2495, A bill for an act relating to employment; creating a program to develop expertise and provide assistance to those wishing to establish employee-owned businesses; establishing a loan guaranty and bonding program to aid the establishment of employee-owned businesses; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 268A.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Segal introduced:

H. F. No. 2496, A bill for an act relating to insurance; accident and health; requiring partial hospitalization program coverage under certain circumstances; proposing coding for new law in Minnesota Statutes, chapters 62A and 62D.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Jacobs introduced:

H. F. No. 2497, A bill for an act relating to horse racing; reducing the amount which licensees are required to withhold from winnings from pari-mutuel betting; amending Minnesota Statutes 1986, section 290.92, subdivision 27.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kalis; Nelson, C.; Redalen; Lieder and Brown introduced:

H. F. No. 2498, A bill for an act relating to agriculture; creating a laboratory services account in the state treasury; 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 Agriculture.

Kelso; Nelson, C.; Johnson, A.; McEachern and Beard introduced:

H. F. No. 2499, A bill for an act relating to education; altering the capital expenditure formula; creating health and safety revenue; creating equipment revenue; creating a repair and betterment

program; authorizing levies; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 124.244; 124.245, subdivisions 3, 3a, and 3b; 275.125, subdivision 11c.

The bill was read for the first time and referred to the Committee on Education.

Anderson, G.; Price; Battaglia; Beard and Bishop introduced:

H. F. No. 2500, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; providing for a state-operated lottery with net proceeds allocated to environmental and economic development funds.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kelso, Vellenga, Beard, McEachern and Nelson, C., introduced:

H. F. No. 2501, A bill for an act relating to education; specifying the source of school district retirement and F.I.C.A. contributions for community education employees; setting community education and early childhood family education aids and levies; amending Minnesota Statutes 1987 Supplement, sections 121.912, subdivision 1; 124.271, subdivision 2b; 124.2711, subdivision 1; and 275.125, subdivision 8.

The bill was read for the first time and referred to the Committee on Education.

Carlson, D., introduced:

H. F. No. 2502, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Jennings; Carlson, D.; Wenzel; Bauerly and Olson, E., introduced:

H. F. No. 2503, A bill for an act relating to agriculture; establishing an industrial by-product soil buffering materials demonstration project and study; appropriating money.

The bill was read for the first time and referred to the Committee on Future and Technology.

Simoneau introduced:

H. F. No. 2504, A bill for an act relating to workers' compensation; reassigning certain administrative duties; regulating reporting of injuries and information about injuries; regulating the payment of benefits; regulating the membership of the rehabilitation review panel; regulating rehabilitation services; changing certain administrative procedures; regulating dependent benefits; prohibiting excessive treatment or medical services; providing for data privacy; amending Minnesota Statutes 1986, sections 129A.05, subdivision 2; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.104, subdivision 1; 176.111, subdivisions 7 and 8; 176.135, by adding a subdivision; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3 and 4; 176.103, subdivision 3; 176.106, subdivisions 7 and 9; 176.131, subdivision 1; 176.135, subdivisions 1 and 6; 176.155, subdivision 1; 176.238, subdivisions 1 and 9; 176.305, subdivisions 1 and 4; repealing Minnesota Statutes 1986, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Simoneau introduced:

H. F. No. 2505, A bill for an act relating to retirement; public employees retirement association; clarifying certain ambiguous provisions, changing administrative requirements, and amending member eligibility requirements; amending Minnesota Statutes 1986, sections 69.031, by adding a subdivision; 353.01, subdivisions 7, 15, 29, and by adding a subdivision; 353.028, subdivision 2; 353.03, subdivision 1; 353.27, subdivisions 7, 13, and by adding a subdivision; 353.32, subdivisions 2 and 5; 353.33, subdivision 7, and by adding a subdivision; 353.37, subdivision 1; 353.65, subdivision 2; 353.651, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 353.01, subdivisions 2b, 10, 16, and 20; 353.27, subdivisions 10 and 12; 353.29, subdivision 6; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353C.02; 353C.04; 353C.06, subdivisions 1 and 4; 353C.08, subdivision 5, and by adding a subdivision; 353D.05, subdivision 2; 353D.07, subdivisions 1, 2, and 4; 353D.08; 356.302, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kelso introduced:

H. F. No. 2506, A bill for an act relating to education; providing levy adjustment aid to districts with auditor's errors.

The bill was read for the first time and referred to the Committee on Education.

Larsen, Lasley and Heap introduced:

H. F. No. 2507, A bill for an act relating to education; increasing the powers of the state board for community colleges; changing the criteria for board membership; directing the Revisor to prepare a bill reorganizing community college statutes; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 136.61, subdivision 1; 136.622; and 136.67, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136.

The bill was read for the first time and referred to the Committee on Higher Education.

Voss and Knuth introduced:

H. F. No. 2508, A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

The bill was read for the first time and referred to the Committee on Judiciary.

Begich introduced:

H. F. No. 2509, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kostohryz, Otis, McEachern, Quinn and Nelson, K., introduced:

H. F. No. 2510, A bill for an act relating to capital improvements; authorizing spending to better public land and buildings and other

public improvements of a capital nature; authorizing issuance of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Rodosovich introduced:

H. F. No. 2511, A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Segal introduced:

H. F. No. 2512, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize lotteries with net revenues dedicated solely to children's health programs.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Quinn introduced:

H. F. No. 2513, 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 1987 Supplement, section 297A.256.

The bill was read for the first time and referred to the Committee on Taxes.

Carruthers, Stanius and Jefferson introduced:

H. F. No. 2514, A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Welle, Peterson, Ogren, Larsen and Anderson, R., introduced:

H. F. No. 2515, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Otis introduced:

H. F. No. 2516, A bill for an act relating to employment and training; establishing the jobs 2000 fund; providing for contributions from employers and employees; providing for training and transitional allowances; creating the training 2000 board; providing for grants and loans; promoting economic development; providing for the adoption of rules; appropriating money; amending Minnesota Statutes 1986, sections 116L.01, subdivision 3; and 116L.04; Minnesota Statutes 1987 Supplement, sections 116L.02; repealing Minnesota Statutes 1986, section 116L.03, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, 5, and 7.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Quist, Kelly, Bishop and Orenstein introduced:

H. F. No. 2517, A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

The bill was read for the first time and referred to the Committee on Judiciary.

Kelly and Blatz introduced:

H. F. No. 2518, A bill for an act proposing an amendment to the Minnesota Constitution, article I, section 4; providing for six-member juries in nonfelony cases; conforming statutes to either the approval or rejection of the proposed amendment.

The bill was read for the first time and referred to the Committee on Judiciary.

Bauerly and McEachern introduced:

H. F. No. 2519, A bill for an act relating to education; establishing revenue for school facilities used primarily for instructional purposes; 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.

Milbert introduced:

H. F. No. 2520, A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

The bill was read for the first time and referred to the Committee on Judiciary.

Kahn introduced:

H. F. No. 2521, A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Price introduced:

H. F. No. 2522, A bill for an act relating to taxation; exempting the University of Minnesota, state universities, and community colleges from the sales and use tax and motor vehicle excise tax; providing for refunds; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 297A.25, subdivision 11; and 297B.03.

The bill was read for the first time and referred to the Committee on Taxes.

Carruthers, Blatz, Milbert, Peterson and McKasy introduced:

H. F. No. 2523, A bill for an act relating to financial institutions; interstate bank holding companies; clarifying the divestiture period for noncompliant companies; amending Minnesota Statutes 1986, section 48.95, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Rukavina introduced:

H. F. No. 2524, A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Jacobs, Osthoff, Redalen and Scheid introduced:

H. F. No. 2525, A bill for an act relating to utilities; changing the definition of public utility; amending Minnesota Statutes 1986, section 216B.02, subdivision 4.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Price, Sparby, Schreiber, Sarna and Vanasek introduced:

H. F. No. 2526, A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

The bill was read for the first time and referred to the Committee on Commerce.

Ozment, Milbert, Knuth and Seaberg introduced:

H. F. No. 2527, A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to

avoid air pollution; 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.

Osthoff introduced:

H. F. No. 2528, A bill for an act relating to insurance; regulating certain medical examinations in no-fault automobile insurance cases; amending Minnesota Statutes 1986, section 65B.56, subdivision 1.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Jacobs and Ogren introduced:

H. F. No. 2529, A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Johnson, A.; Rose; Knuth and Rest introduced:

H. F. No. 2530, A bill for an act relating to education; providing for capital expenditure and repair and restoration funding of school districts; amending Minnesota Statutes 1987 Supplement, section 124.244, subdivisions 1, 2, and 4; 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.

Quinn, by request, introduced:

H. F. No. 2531, A bill for an act relating to local government; permitting the establishment by municipalities of street and road improvement districts; amending Minnesota Statutes 1986, sections 444.16; 444.17; and 444.18.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Minne, Rice, Sarna, Kelly and Schreiber introduced:

H. F. No. 2532, A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

McLaughlin introduced:

H. F. No. 2533, A bill for an act relating to employment and training; creating an advisory task force on the employment and training of dislocated workers.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

McLaughlin introduced:

H. F. No. 2534, A bill for an act relating to the department of jobs and training; authorizing the commissioner to buy and sell real property; amending Minnesota Statutes 1987 Supplement, section 268.0122, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rukavina introduced:

H. F. No. 2535, A bill for an act relating to liquors; authorizing municipalities to issue intoxicating malt liquor licenses to certain license holders; amending Minnesota Statutes 1987 Supplement, section 340A.404, subdivision 5.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Orenstein, Price, Minne and Shaver introduced:

H. F. No. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain

procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging names on ballots, and completing summary statements; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 201.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kelso, Kostohryz, Redalen and Reding introduced:

H. F. No. 2537, A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Jefferson introduced:

H. F. No. 2538, A bill for an act relating to motor vehicles; allowing full-service deputy registrar at pilot city regional center.

The bill was read for the first time and referred to the Committee on Transportation.

Rose and Wynia introduced:

H. F. No. 2539, A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Riveness introduced:

H. F. No. 2540, A bill for an act relating to the city of Bloomington; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Bauerly and McEachern introduced:

H. F. No. 2541, A resolution memorializing the Congress of the United States to investigate the connection between Agent Orange and health problems of Vietnam veterans.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Munger; Price; Anderson, G.; Rose and Winter introduced:

H. F. No. 2542, A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sparby, Frerichs, Poppenhagen, McEachern and Solberg introduced:

H. F. No. 2543, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Anderson, R., introduced:

H. F. No. 2544, A bill for an act relating to veterans; requiring the housing and care of veterans in the Fergus Falls regional treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Murphy introduced:

H. F. No. 2545, A bill for an act relating to human services; requiring procedures to increase the cost to revenue ratios for nursing homes; requiring legislators to sit on an advisory committee; regulating rates and reporting requirements for therapy costs of nursing homes; amending Minnesota Statutes 1987 Supplement, sections 256B.433, subdivisions 1, 3, and 4; and 256B.47, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Sparby, O'Connor, Beard, Bennett and Murphy introduced:

H. F. No. 2546, A bill for an act relating to commerce; regulating preparation of certain financial information for membership camping contract applications and subdivider qualification statements; repealing an exception to the exemption of subdivided lands within a city; prohibiting advance payments relating to resale of time share property interests; providing for hearing on misleading or deceptive sales practices relating to subdivisions; amending Minnesota Statutes 1986, sections 82A.04, subdivision 2; 83.26, subdivision 2; and 83.44; Minnesota Statutes 1987 Supplement, sections 83.23, subdivision 3; and 83.45.

The bill was read for the first time and referred to the Committee on Commerce.

Bauerly and Jennings introduced:

H. F. No. 2547, A bill for an act relating to health maintenance organizations; waiving the preexisting condition restriction for coverage under the comprehensive health insurance plan for former health maintenance organization enrollees; requiring medical care providers to contract with health maintenance organizations; amending Minnesota Statutes 1986, section 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62D.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bauerly and Jennings introduced:

H. F. No. 2548, A bill for an act relating to health maintenance organizations; requiring a reserve fund; prohibiting regional termination of health plans; requiring 90 days' notice of termination; creating conversion rights for enrollees; requiring the comprehen-

sive health insurance plan to offer four medicare supplement options; waiving the preexisting condition restriction for coverage under the comprehensive health insurance plan for medicare supplement enrollees who are terminated due to bankruptcy of a health maintenance organization; amending Minnesota Statutes 1986, sections 62D.041, subdivision 2; 62D.12, subdivision 2, and by adding a subdivision; 62E.12; and 62E.14, subdivision 4; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 1, 3 to 6, and 8.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bauerly introduced:

H. F. No. 2549, A bill for an act relating to game and fish; lowering the percentage of a disability required of veterans to qualify for a permanent license; amending Minnesota Statutes 1987 Supplement, section 97A.441, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Clark, Greenfield and Dawkins introduced:

H. F. No. 2550, A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Battaglia introduced:

H. F. No. 2551, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dauner, Quist and Steensma introduced:

H. F. No. 2552, A bill for an act relating to courts; repealing the law allowing the court administrator to appeal the salary set by the county board to the district court; repealing Minnesota Statutes 1986, section 485.018, subdivision 7.

The bill was read for the first time and referred to the Committee on Judiciary.

Knickerbocker introduced:

H. F. No. 2553, A bill for an act relating to retirement; providing for a partially subsidized joint and survivor optional annuity for retiring judges; amending Minnesota Statutes 1987 Supplement, section 490.124, subdivision 11.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Begich introduced:

H. F. No. 2554, A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

The bill was read for the first time and referred to the Committee on Education.

Olsen, S.; Schafer; Olson, E.; Dille and Omann introduced:

H. F. No. 2555, A bill for an act relating to education; increasing the secondary vocational formula allowance; appropriating money; amending Minnesota Statutes 1987 Supplement, section 124.573, subdivisions 2 and 3a; repealing Minnesota Statutes 1987 Supplement, section 124.573, subdivision 2b.

The bill was read for the first time and referred to the Committee on Education.

Bertram, Hartle, Scheid and Osthoff introduced:

H. F. No. 2556, A bill for an act relating to insurance; removing certain life insurance products from the general restrictions on advertisements of investment products; requiring certain life insurance policy disclosures; amending Minnesota Statutes 1987 Supplement, section 45.025, subdivisions 1, 2, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Bishop, Stanius, Solberg, Vellenga and Orenstein introduced:

H. F. No. 2557, A bill for an act relating to crimes; providing mandatory minimum penalties for aggravated robbery of a pharmacy; amending Minnesota Statutes 1986, section 609.245.

The bill was read for the first time and referred to the Committee on Judiciary.

Scheid introduced:

H. F. No. 2558, A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Beard, Sarna, Bennett and Price introduced:

H. F. No. 2559, A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

The bill was read for the first time and referred to the Committee on Commerce.

Olson, K.; Carlson, L.; DeBlicek; Anderson, G., and Steensma introduced:

H. F. No. 2560, A bill for an act relating to education; establishing library resources at certain technical institutes coordinated by Southwest State University; appropriating money.

The bill was read for the first time and referred to the Committee on Higher Education.

Segal, Kelso, Greenfield, Stanius and Ogren introduced:

H. F. No. 2561, A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; 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.

DeBlieck, Cooper, Trimble, Kelso and Johnson, R., introduced:

H. F. No. 2562, A bill for an act relating to education; appropriating money for a history center at Southwest State University and St. Cloud State University.

The bill was read for the first time and referred to the Committee on Higher Education.

Hugoson, Redalen, Uphus, Jacobs and Omann introduced:

H. F. No. 2563, A bill for an act relating to taxation; income; allowing a subtraction over three years for certain ACRS modifications; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

Stanius, Bennett and Schreiber introduced:

H. F. No. 2564, A bill for an act relating to taxation; individual income; imposing tax on certain deemed discharges of indebtedness income; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivisions 19a and 19b; 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.

Dille, Wenzel, Cooper, Krueger and Rose introduced:

H. F. No. 2565, A bill for an act relating to agriculture; farm safety; restoring the position of extension safety program specialist in the extension service; assigning responsibilities; appropriating money.

The bill was read for the first time and referred to the Committee on Agriculture.

Sparby, Carlson, D., and Neuenschwander introduced:

H. F. No. 2566, A bill for an act relating to game and fish; prescribing procedures for commissioner's orders; amending Minnesota Statutes 1986, section 97A.051, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Sparby; Anderson, G.; McDonald; Wenzel and Steensma introduced:

H. F. No. 2567, A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce.

Olson, K.; Otis; Cooper and Brown introduced:

H. F. No. 2568, A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Johnson, R.; Segal; Marsh; Ogren and Kelly introduced:

H. F. No. 2569, A bill for an act relating to human services; authorizing counties to establish multidisciplinary chemical dependency prevention teams; authorizing the state planning agency to fund these teams in several counties on a demonstration basis; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Orenstein; Price; Carlson, L.; Boo and Jaros introduced:

H. F. No. 2570, A bill for an act relating to education; placing conditions on University of Minnesota appropriations; requesting a study by the legislative auditor.

The bill was read for the first time and referred to the Committee on Higher Education.

Lasley introduced:

H. F. No. 2571, A bill for an act relating to cable communications; requiring cable communication companies to block transmission of channel at request of customer; amending Minnesota Statutes 1986, section 238.11, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Wenzel, Sparby, Pelowski, Bertram and McDonald introduced:

H. F. No. 2572, A bill for an act relating to agricultural trade; authorizing the establishment of a foreign trade office in the Federal Republic of Germany; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Olson, E.; Tunheim; Sparby; Brown and Lieder introduced:

H. F. No. 2573, A bill for an act relating to education; making certain changes to program improvement grants; increasing the levy for districts receiving grants; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 129B.11, subdivisions 1 and 2; and 275.125, subdivision 8d.

The bill was read for the first time and referred to the Committee on Education.

Bertram and Valento introduced:

H. F. No. 2574, A bill for an act relating to environment; amending and enacting various sections of law relating to capital intensive public services and private suppliers; amending Minnesota Statutes 1986, sections 471A.02, subdivisions 4, 6, and 12; 471A.03, subdivisions 1, 3, and 5; and 471A.07.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Ogren, Gruenes, Rodosovich, Jefferson and Sviggum introduced:

H. F. No. 2575, A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987

Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Poppenhagen, Frederick and Stanius introduced:

H. F. No. 2576, A bill for an act relating to economic development; recreating a tourism loan program within the department of trade and economic development; providing for the powers and duties of the commissioner; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Commerce.

Neuenschwander introduced:

H. F. No. 2577, A bill for an act relating to game and fish; closing date for fishing season on the Rainy River; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Reding introduced:

H. F. No. 2578, A bill for an act relating to retirement; various public employee pension plans; clarifying certain ambiguous provisions; correcting certain oversights, inconsistencies, unintended results, and erroneous provisions; eliminating certain redundant, obsolete, or conflicting provisions; amending Minnesota Statutes 1986, sections 3.85, subdivision 11; 3A.01, by adding a subdivision; 3A.02, subdivision 1, and by adding a subdivision; 3A.03; 3A.06; 3A.11, subdivision 4; 3A.12, subdivision 1; 6.72, subdivisions 1 and 3; 11A.18, subdivisions 2, 4, and 5; 15.38, by adding a subdivision; 43A.44, subdivision 2; 60A.15, by adding a subdivision; 69.021, subdivisions 6 and 7; 69.031, subdivision 5; 69.051, subdivisions 1, 1a, and 3; 69.27; 69.28; 69.29; 69.62; 69.77, subdivisions 1, 1a, 2, 2a, 2c, 2e, 2f, 2g, 2i, and 3; 69.771, subdivisions 1 and 3; 69.772, subdivisions 2a and 4; 69.773, subdivision 5; 69.774, subdivision 1; 69.776; 69.78; 85A.01, subdivision 3; 136.80; 136.81, subdivision 1; 136.84; 176.021, subdivision 7; 256D.21; 290.35, subdivision 3; 345.381; 352C.01; 352C.021, subdivisions 4, 5, 6, and 7; 352C.031; 352C.033; 352C.04, subdivisions 1, 2a, 3, and 4; 352C.051; 352C.09; 352C.091, subdivision 1; 352D.02, subdivisions 1, 1a, and by adding a subdivision; 352D.03; 352D.05, subdivision 3; 352D.09, subdivi-

sions 2, 4, and 7; 352D.11, subdivisions 1 and 4; 353.01, subdivision 18; 353.025; 353.05; 353.06; 353.27, subdivision 9, and by adding subdivisions; 353.34, subdivision 5; 353.36, subdivision 2b, and by adding a subdivision; 353.46, subdivision 2; 353.63; 353.64, subdivision 4; 353.661; 354.05, subdivisions 3, 11, and by adding a subdivision; 354.06, subdivisions 2, 3, 4, 5, 6, and 7; 354.07, subdivisions 4 and 7; 354.33, subdivisions 5 and 6; 354.42, subdivision 7, and by adding a subdivision; 354.44, subdivisions 6 and 7; 354.47, subdivisions 1 and 2; 354.48, subdivisions 2 and 4; 354.49, subdivisions 4 and 5; 354.531; 354.55, subdivision 17; 354.62, subdivision 2; 354A.011, subdivision 27; 354A.30; 354A.31, subdivisions 2 and 3; 354A.34; 354A.36, subdivisions 3, 3a, and 4; 355.58; 355.73, subdivision 8; 355.74, subdivision 2; 356.18, subdivision 1; 356.20, subdivision 4a; 356.24; 356.371, subdivision 1; 356.452; 356.453; 356.65, subdivision 1; 356.70, subdivision 2; 356.71; 363.02, subdivision 6; 383A.20, subdivision 4; 383B.39; 383B.46; 383B.51; 398A.03, subdivision 7; 422A.01, subdivisions 12 and 13; 422A.02; 422A.05, subdivisions 1, 2c, 5, and 6; 422A.06, subdivisions 1 and 3; 422A.08, subdivision 1; 422A.09, subdivisions 1, 2, and 4; 422A.10, subdivisions 1 and 2; 422A.11, subdivisions 1, 3, and 4; 422A.12, subdivision 2; 422A.13, subdivision 2; 422A.15, subdivision 4; 422A.156; 422A.16, subdivisions 8 and 9; 422A.18, subdivisions 1, 2, and 3; 422A.22, subdivisions 1, 2, and 4; 422A.23, subdivisions 2, 9, and 10; 422A.25; 423.37; 423.372; 423.381; 423.391; 423.41; 423.43; 423.801, subdivision 2; 423A.01, subdivisions 1, 2, and 4; 423A.02; 423A.16; 424.01; 424.03; 424.165, subdivision 3; 424A.001, subdivision 3 and by adding a subdivision; 424A.02, subdivisions 1, 2, 6, and 10; 424A.03, subdivisions 1 and 2; 453.61; 453A.11; 458A.03, subdivision 6; 462.389, subdivision 4; 471A.10; 473.512, subdivision 1; 473.565, subdivisions 1 and 2; 490.102, subdivisions 1, 3, and 6; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12, subdivision 3; 490.123, subdivisions 2 and 3; 490.124, subdivision 9; 490.126, subdivisions 2, 3, 4, and by adding a subdivision; and 490.129; Minnesota Statutes 1987 Supplement, sections 3.85, subdivision 12; 11A.04; 11A.18, subdivisions 6 and 11; 43A.316, subdivision 8; 43A.34, subdivision 3; 69.011, subdivision 2; 69.021, subdivision 5; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivision 4; 136.81, subdivision 3; 352.01, subdivisions 2b, 4, 5, 11, and by adding subdivisions; 352.021, subdivision 4; 352.03, subdivisions 4, 5, and 6; 352.04, subdivision 9; 352.05; 352.115, subdivisions 1, 3, 8, 10, and 11; 352.116; 352.119, subdivisions 2 and 3; 352.12, subdivisions 2, 12, and 13; 352.22, subdivisions 2, 3, 5, and 9; 352.23; 352.72, subdivisions 1 and 2; 352.73, subdivision 3; 352.85, subdivisions 1, 4, and 5; 352.86, subdivisions 1 and 3; 352.90; 352.92; 352.93; 352B.01, subdivisions 2 and 3; 352B.02; 352B.03, subdivision 2; 352B.05; 352B.08, subdivisions 1, 2, and by adding a subdivision; 352B.14, subdivisions 1, 2, 3, and by adding a subdivision; 352B.30, subdivision 1; 353.01, subdivisions 2b and 16; 353.33, subdivision 1; 353.64, subdivision 1; 353.71, subdivision 1; 353A.04, subdivision 8; 353A.07, subdivision 4; 353A.08, subdivisions 1, 2, and 3; 353A.09, by adding a subdivision; 353A.10, by adding a subdivision; 353B.07, subdivisions 1 and 3; 353B.08, subdivision 2,

6, and 7; 353B.11, subdivision 8; 353C.03; 353C.06, subdivisions 3 and 4; 353D.01; 353D.02; 353D.07, subdivision 5, and by adding a subdivision; 353D.10; 354.05, subdivisions 2 and 35; 354.06, subdivisions 1 and 2a; 354.07, subdivision 1; 354.48, subdivision 3; 354.51, subdivision 5; 354.532, subdivision 1; 354.60; 354.62, subdivision 5; 354A.39; 356.20, subdivisions 2 and 4; 356.215, subdivisions 1, 3, 4, 4d, 4f, 4g, 4h, 6, and by adding a subdivision; 356.216; 356.302, subdivisions 1, 3, and 7; 356.303, subdivision 4; 356.41; 422A.06, subdivisions 5 and 8; 422A.09, subdivision 3; 422A.101, subdivisions 1, 3, and by adding subdivisions; 423.39; 469.056, subdivision 1; 469.094, subdivision 3; and 518.582, subdivision 1; Laws 1969, chapter 224, section 3; Laws 1985, chapter 259, section 5; and chapter 261, sections 31, as amended; and 38, as amended; Laws 1986, chapter 359, section 25; reenacting Laws 1978, chapter 563, section 8; proposing coding for new law in Minnesota Statutes, chapters 60A; 69; 352; 353D; 354A; 356; and 490; repealing Minnesota Statutes 1986, sections 3.85, subdivision 10; 69.56; 69.58; 69.59; 69.60; 69.61; 136.88, subdivision 3; 251.011, subdivision 8; 352C.091, subdivision 2; 353.36, subdivisions 2a and 2c; 353.46, subdivision 1a; 353.662; 353.663; 353.74; 353.75; 353.83; 353.84; 353.85; 354.41, subdivision 3; 354.55, subdivisions 5, 6, 14, 15, and 18; 354.56; 355.311, subdivisions 2, 3, and 4; 356.325; 356.35; 356.36; 356.37; 356.38; 356.39; 356.45; 356.451, subdivision 2; 356.454; 356.455; 356.70, subdivisions 1 and 2; 383A.295, subdivision 3; 383B.40; 422A.06, subdivision 4; 422A.22, subdivision 2; 424.165, subdivisions 1, 2, and 4; 473.565, subdivisions 3 and 4; 490.102, subdivisions 7 and 8; 490.105; and 490.12, subdivision 9; repealing Minnesota Statutes 1987 Supplement, sections 69.54; 69.55; 352.01, subdivision 7; 352.115, subdivision 2; 352.119, subdivision 1; 352.73, subdivisions 1 and 2; 352.75, subdivisions 1, 2, 3, and 6; 352.76; 352B.14, subdivisions 4 and 5; 352B.261; 352B.262; 352B.27; 352B.28; 352B.29; 353.36, subdivision 2; 355.311, subdivision 1; 356.451, subdivision 1; 422A.101, subdivisions 2 and 2a; repealing Laws 1915, chapter 68; Laws 1921, chapter 118; Laws 1923, chapter 54; Laws 1925, chapter 197; Laws 1935, chapter 208, section 4; Laws 1943, chapter 267; Laws 1949, chapter 153; Laws 1953, chapter 91, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, subdivisions 1, 2, and 3, 12, 13, 14, 15, and 16; Laws 1955, chapters 187; and 375, sections 30, as amended, and 31, 32, 33, 34, 35, and 36; Laws 1957, chapters 455, section 14 and 630; Laws 1959, chapter 191; Laws 1975, chapters 408 and 425; Laws 1976, chapters 99 and 247; Laws 1980, chapter 600, sections 11 and 12; Laws 1981, chapter 68, section 43; Laws 1982, chapter 578, article II, section 1, subdivision 8; Laws 1984, chapters 558, article I, section 9; 564, section 48, as amended, and 574, sections 18 and 20; and Laws 1985, chapter 261, sections 17 and 18; Laws 1986, chapter 458, section 23.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Beard and Begich introduced:

H. F. No. 2579, A bill for an act relating to workers' compensation; providing for review of rehabilitation plans; amending Minnesota Statutes 1986, section 176.102, subdivision 7.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Begich introduced:

H. F. No. 2580, A bill for an act relating to ethics in government; redefining "lobbyist"; amending Minnesota Statutes 1986, section 10A.01, subdivision 11.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Beard and Begich introduced:

H. F. No. 2581, A bill for an act relating to workers' compensation; requiring the department of labor and industry to provide counsel in certain instances; amending Minnesota Statutes 1986, section 176.261.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bishop introduced:

H. F. No. 2582, A bill for an act relating to water; providing a classification of the waters of the South Fork of the Zumbro River.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

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. 1608, 1644 and 1594.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1608, A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

S. F. No. 1644, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 1594, A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; 245A.13, subdivision 5; 256D.01, subdivision 1d; and 256D.37, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1c; and 256D.37, subdivision 4.

The bill was read for the first time.

Greenfield moved that S. F. No. 1594 and H. F. No. 2123, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 2056, A bill for an act relating to state lands; requiring

corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

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.	Frerichs	Lieder	Ozment	Solberg
Battaglia	Greenfield	Long	Pappas	Sparby
Bauerly	Gruenes	Marsh	Pauly	Stanius
Begich	Gutknecht	McDonald	Pelowski	Steensma
Bennett	Hartle	McEachern	Peterson	Sviggum
Bertram	Haukoos	McKasy	Poppenhagen	Swenson
Bishop	Heap	McPherson	Quinn	Thiede
Blatz	Himle	Milbert	Quist	Tjornhom
Boo	Hugoson	Miller	Redalen	Tompkins
Brown	Jacobs	Minne	Reding	Trimble
Burger	Jaros	Morrison	Rest	Tunheim
Carlson, D.	Jennings	Munger	Rice	Upphus
Carlson, L.	Johnson, A.	Murphy	Richter	Valento
Carruthers	Johnson, R.	Nelson, C.	Riveness	Vellenga
Clausnitzer	Johnson, V.	Nelson, K.	Rodosovich	Voss
Cooper	Kelly	Neuenschwander	Rose	Wagenius
Dauner	Kelso	Ogren	Rukavina	Waltman
Dawkins	Kinkel	Olsen, S.	Sarna	Welle
DeBlieck	Kludt	Olsen, E.	Schafer	Wenzel
Dempsey	Knickerbocker	Olson, K.	Schreiber	Winter
DeRaad	Knuth	Omann	Segal	Wynia
Dorn	Kostohryz	Onnen	Shaver	Spk. Vanasek
Forsythe	Krueger	Orenstein	Simoneau	
Frederick	Larsen	Otis	Skoglund	

The bill was passed and its title agreed to.

H. F. No. 2180 was reported to the House.

Upon objection of ten members, H. F. No. 2180 was stricken from the Consent Calendar and returned to General Orders.

CALENDAR

S. F. No. 537 was reported to the House.

There being no objection, S. F. No. 537 was continued on the Calendar for one day.

H. F. No. 453 was reported to the House.

There being no objection, H. F. No. 453 was continued on the Calendar until Monday, March 14, 1988.

Knickerbocker was excused at 2:30 p.m. Tjornhom and Frerichs were excused at 3:45 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek 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. 1805, 2020, 10, 1659, 1710, 1784, 1989, 2039, 2083 and 2132 were recommended to pass.

H. F. Nos. 1709, 1942, 718, 1817, 1940, 1979, 577 and 1748 were recommended for progress.

H. F. Nos. 297, 1705 and 1806 were recommended for progress retaining their places on General Orders.

H. F. No. 1876 was recommended for re-referral to the Committee on Appropriations.

H. F. No. 2180 which it recommended to pass with the following amendment offered by Rice:

Page 2, line 11, before the period insert "and to provide adequate funding to rural health care providers"

On the motion of Wynia 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:

Gruenes and Onnen moved to amend H. F. No. 2180, as follows:

Page 2, line 8, after "legislation" insert "S1438 introduced by U. S. Senator Dave Durenberger and

Senator	Heinz	(R) Penn.
Senator	Daschle	(D) SD
Senator	Lugar	(R) Ind.
Senator	Cohen	(R) ME
Senator	McCain	(R) Ariz.
Senator	Exon	(D) Neb.
Senator	Wirth	(D) Colo.
Senator	Grassley	(R) Iowa
Senator	Boschwitz	(R) MN
Senator	Hecht	(R) Nev.
Senator	Burdick	(D) ND
Senator	Pressler	(R) SD
Senator	Stevens	(R) Ark.
Senator	Conrad	(D) ND
Senator	Stafford	(R) VT
Senator	Hatch	(R) UT
Senator	Domenici	(R) NM
Senator	Nickles	(R) OK
Senator	Simpson	(R) WYO
Senator	Wallop	(R) WYO."

Page 2, line 11, before the period insert "and to provide adequate funding to rural health care providers"

The question was taken on the Gruenes and Onnen amendment and the roll was called. There were 53 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Johnson, V.	Pauly	Sviggum
Bauerly	Forsythe	Marsh	Poppenhagen	Swenson
Bennett	Frederick	McDonald	Quist	Thiede
Bertram	Frerichs	McKasy	Redalen	Tjornhom
Blatz	Gruenes	McPherson	Richter	Tompkins
Boo	Gutknecht	Miller	Rose	Uphus
Burger	Hartle	Morrison	Schafer	Valento
Carlson, D.	Haukoos	Olsen, S.	Schreiber	Waltman
Clausnitzer	Heap	Omann	Shaver	Wenzel
Dempsey	Himle	Onnen	Sparby	
DeRaad	Hugoson	Ozment	Stanius	

Those who voted in the negative were:

Anderson, G.	Clark	Greenfield	Kelly	Krueger
Battaglia	Cooper	Jacobs	Kelso	Larsen
Begich	Dauner	Jaros	Kinkel	Lieder
Brown	Dawkins	Jefferson	Kludt	Long
Carlson, L.	DeBlicke	Johnson, A.	Knuth	McEachern
Carruthers	Dorn	Johnson, R.	Kostohryz	McLaughlin

Milbert	Olson, E.	Price	Simoneau	Wagenius
Minne	Olson, K.	Quinn	Skoglund	Welle
Munger	Orenstein	Reding	Solberg	Winter
Murphy	Otis	Rice	Trimble	Wynia
Nelson, C.	Pappas	Rodosovich	Tunheim	Spk. Vanasek
Neuenschwander	Pelowski	Rukavina	Vellenga	
Ogren	Peterson	Segal	Voss	

The motion did not prevail and the amendment was not adopted.

Rice moved to amend H. F. No. 2180, as follows:

Page 2, line 11, before the period insert "and to provide adequate funding to rural health care providers"

The question was taken on the Rice amendment and the roll was called. There were 113 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Larsen	Orenstein	Skoglund
Anderson, R.	Forsythe	Lieder	Otis	Solberg
Battaglia	Frederick	Long	Ozment	Sparby
Bauerly	Greenfield	Marsh	Pappas	Stanius
Begich	Gruenes	McDonald	Pauly	Steenasma
Bennett	Gutknecht	McEachern	Pelowski	Sviggum
Bertram	Hartle	McKasy	Peterson	Swenson
Blatz	Haukoos	McLaughlin	Poppenhagen	Thiede
Boo	Heap	McPherson	Price	Tompkins
Brown	Himle	Milbert	Quinn	Trimble
Burger	Hugoson	Miller	Quist	Tunheim
Carlson, D.	Jacobs	Minne	Redalen	Uphus
Carlson, L.	Jaros	Morrison	Reding	Valento
Carruthers	Jefferson	Munger	Rice	Vellenga
Clark	Jennings	Murphy	Richter	Voss
Clausnitzer	Johnson, R.	Nelson, C.	Rodosovich	Waltman
Cooper	Johnson, V.	Neuenschwander	Rose	Welle
Dauner	Kelly	Ogren	Rukavina	Wenzel
Dawkins	Kelso	Olsen, S.	Sarna	Winter
DeBlieck	Kinkel	Olson, E.	Schafer	Wynia
Dempsey	Kludt	Olson, K.	Schreiber	Spk. Vanasek
DeRaad	Knuth	Omann	Segal	
Dille	Krueger	Onnen	Simoneau	

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Wenzel moved that the names of Sparby, Clark, Pelowski and Marsh be added as authors on H. F. No. 10. The motion prevailed.

Heap moved that the name of Jefferson be added as an author on H. F. No. 1291. The motion prevailed.

Begich moved that his name be stricken as an author on H. F. No. 1791. The motion prevailed.

Begich moved that his name be stricken as an author on H. F. No. 1902. The motion prevailed.

Olsen, S., moved that the name of Seaberg be added as an author on H. F. No. 2319. The motion prevailed.

Dawkins moved that the name of Clark be added as an author on H. F. No. 2335. The motion prevailed.

Cooper moved that the name of Brown be stricken and the name of Lasley be added as an author on H. F. No. 2337. The motion prevailed.

Pappas moved that the names of Clark and Tjornhom be added as authors on H. F. No. 2345. The motion prevailed.

Wenzel moved that the names of Bertram, Omann, Peterson and Krueger be added as authors on H. F. No. 2362. The motion prevailed.

Brown moved that the name of Welle be added as chief author on H. F. No. 2363. The motion prevailed.

McKasy moved that the name of Olsen, S., be added as an author on H. F. No. 2377. The motion prevailed.

Quinn moved that the name of Milbert be added as an author on H. F. No. 2406. The motion prevailed.

Lasley moved that the names of Trimble and Johnson, A., be added as authors on H. F. No. 2409. The motion prevailed.

Skoglund moved that the names of Ogren, Rodosovich and Stanius be added as authors on H. F. No. 2413. The motion prevailed.

Bauerly moved that the name of Wenzel be added as an author on H. F. No. 2420. The motion prevailed.

Uphus moved that the name of Waltman be added as an author on H. F. No. 2428. The motion prevailed.

Clark moved that the name of Dawkins be added as an author on H. F. No. 2444. The motion prevailed.

Jennings moved that H. F. No. 2503 be recalled from the Commit-

tee on Future and Technology and be re-referred to the Committee on Agriculture. The motion prevailed.

Jacobs moved that H. F. No. 2497 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be re-referred to the Committee on Taxes. The motion prevailed.

Larsen moved that H. F. No. 1624 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 7, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 7, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-FOURTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 4, 1988

The Senate met on Friday, March 4, 1988, which was the Sixty-fourth Legislative Day of the Seventy-fifth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 7, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Harvey Pederson, First Lutheran and Trefoldighed Lutheran Church, Battle Lake, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanisus
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggum
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Nelson, K.	Rose	Waltman
Dawkins	Kelly	Neuenschwander	Rukavina	Welle
DeBlieck	Kelso	O'Connor	Sarna	Wenzel
Dempsey	Kinkel	Ogren	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

A quorum was present.

Olsen, S., was excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Larsen moved that further reading of the Journals be dis-

pensed 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. 1244, 1755, 1804, 1832, 1838, 1844, 1868, 1884, 1922, 1926, 1943, 1999, 2018, 2036, 2045, 2092, 2109, 2270, 2286, 2312, 322, 1589, 1627, 1777, 1912, 1913, 1923, 1950, 1966, 2025, 2063, 2197, 2232, 1855, 2046, 2180, 2340, 2061, 2095 and 2029 and S. F. Nos. 1608, 1644, 1594 and 187 have been placed in the members' files.

S. F. No. 1594 and H. F. No. 2123, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1594 be substituted for H. F. No. 2123 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 258, A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1986, section 352.93, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 352.93, subdivision 2, is amended to read:

Subd. 2. [CALCULATING MONTHLY ANNUITY.] The monthly annuity under this section must be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by 2.5 percent for the first 25 years of correctional service and two percent for each year after that of correctional service. However, the monthly annuity must not exceed 75 percent of the average monthly salary.”

Amend the title as follows:

Page 1, line 4, delete "1986" and insert "1987 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 781, A bill for an act relating to human services; establishing a system of state-operated, community-based residential programs for persons with mental retardation; requiring that employees of regional treatment centers and state nursing homes be offered other positions prior to layoff; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 16B.08, subdivision 7; 246.023, subdivision 1; 252.28, by adding a subdivision; and 252.291, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 179A and 252; repealing Minnesota Statutes 1986, section 246.023, subdivisions 2 to 5.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and
- (4) furniture from the Minnesota correctional facilities.

(b) The following may be purchased or rented without regard to the competitive bidding requirements of this chapter: supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements."

Page 3, delete lines 3 to 9

Page 3, lines 19 to 22, delete the new language

Page 4, line 7, delete "shall" and insert "may"

Page 5, line 12, delete "affected by" and insert "included in"

Page 5, delete section 6

Page 6, delete sections 8, 9, and 11

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 7, delete "requiring a study; appropriating money;"

Page 1, lines 8 and 9, delete "16B.08, subdivision 7;"

Page 1, lines 9 and 10, delete "252.28, by adding a subdivision;"

Page 1, line 10, after "2," insert "Minnesota Statutes 1987 Supplement, section 16B.08, subdivision 7;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

Reported the same back with the following amendments:

Page 1, delete lines 19 to 23

Page 1, line 24, delete "4" and insert "3"

Page 3, line 7, delete "understandings" and insert "letters of understanding"

Page 3, line 12, delete "understandings" and insert "letters of understanding"

Page 3, delete lines 16 to 22

Amend the title as follows:

Page 1, line 5, delete the first comma and insert "and" and delete everything after "entities"

Page 1, line 6, delete everything before the semicolon

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 1586, A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [137.0229] [REGENT CANDIDATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] There is established a candidate advisory council for the board of regents of the University of Minnesota. The purpose of the advisory council is to assist the legislature in identifying qualified candidates for membership on the board of regents.

Subd. 2. [MEMBERSHIP.] The advisory council must be composed of 24 members, three of whom reside in each congressional district. One member from each congressional district must be appointed by the governor. One member from each congressional district must be appointed by the members of the house who represent that district. One member from each congressional district must be appointed by the members of the senate who represent that district. No more than two members from any congressional district shall belong to the same political party. Each member shall serve for a term of six years and may serve one additional term. A vacancy shall be filled in the same manner as the original appointment. Members may be reimbursed for expenses according to section 15.059 but must not be compensated.

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, and provide to potential candidates a statement of the responsibilities and duties of a regent;

(2) establish a subcommittee for each congressional district, composed of the three advisory council members residing in the congressional district and other members appointed by the subcommittee, and encourage each subcommittee to identify qualified candidates within its congressional district;

(3) for each congressional district position on the board, identify and recruit, through the subcommittee established in clause (2), qualified candidates for the board of regents, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents; and

(4) for each at-large position on the board, including the student position, identify and recruit qualified candidates, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. [RECOMMENDATIONS.] At the time the legislature elects a regent, the advisory council shall recommend at least two

qualified candidates to the appropriate committees of the legislature. For a candidate required to reside in a congressional district, the advisory council shall recommend only a candidate recommended by the subcommittee. The legislature shall not be bound by these recommendations.

Subd. 5. [STAFF.] The higher education coordinating board shall provide staff and support for the advisory council as necessary to discharge its responsibilities.

Sec. 2. [INITIAL TERMS.]

Notwithstanding section 1, subdivision 2, for the initial advisory council, one member appointed by each of the appointing authorities shall serve a two-year term, one member shall serve a four-year term, and one member shall serve a six-year term.

Sec. 3. [APPROPRIATION.]

There is appropriated from the general fund to the higher education coordinating board \$ for fiscal year 1989 for the regent candidate advisory council.

Sec. 4. [REPEALER.]

Section 2 is repealed June 30, 1989."

Delete the title and insert:

"A bill for an act relating to education; establishing a regent candidate advisory council to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1656, A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 2, delete everything after the period

Page 2, delete lines 3 and 4

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1678, A bill for an act relating to housing; requiring written disclosure of defects in residential housing before sale of that housing; providing for the form, delivery, and effect of disclosure; proposing coding for new law as Minnesota Statutes, chapter 327D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [82.35] [SHORT TITLE.]

Sections 1 to 13 may be cited as the “Minnesota residential real estate transfer disclosure act.”

Sec. 2. [82.36] [DEFINITIONS; APPLICATION; EXCLUSIONS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this act, the following terms have the definitions assigned them:

(a) “Buyer” means the transferee(s) in any of the transactions listed in subdivision 2, as limited by subdivision 3.

(b) “Dwelling unit” has the meaning given it in section 238.22, subdivision 2.

(c) “Seller” means the transferor(s) in any of the transactions listed in subdivision 2, as limited by subdivision 3.

Subd. 2. [APPLICATION.] Except as provided in subdivision 3, this act applies to any transfer by sale, exchange, contract for deed, lease with an option to purchase, any other option to purchase, or ground lease coupled with improvements, of real property, or residential stock cooperative, improved with or consisting of not less than one nor more than two dwelling units, and in the case of two dwelling units, where the owner occupies at least one of the units.

Subd. 3. [EXCLUSIONS.] This act does not apply to:

(1) transfers under court order, including transfers ordered by a probate court in administration of an estate, transfers in accordance with a writ of execution, transfers by a foreclosure sale, transfers by a trustee in bankruptcy, transfers by eminent domain, and transfers resulting from a decree for specific performance;

(2) transfers to a mortgagee by a mortgagor or successor in interest who is in default, transfers to a beneficiary of a deed of trust by a trustor or successor in interest who is in default, transfers by a foreclosure sale after default, in an obligation secured by a mortgage, transfers by a sale under a power of sale or a foreclosure sale under a decree of foreclosure after default in an obligation secured by a deed of trust or secured by any other instrument containing a power of sale, or transfers by a mortgagee or a beneficiary under a deed of trust who has acquired the real property at a sale conducted under a power of sale under a mortgage or deed of trust or a sale according to a decree of foreclosure or has acquired the real property by a deed in lieu of foreclosure;

(3) transfers by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;

(4) transfers from one coowner to one or more other coowners;

(5) transfers made to a spouse, or to a person or persons in the direct line of blood relationship of one or more of the transferors;

(6) transfers between spouses resulting from a decree of dissolution of marriage or a decree of legal separation or from a property settlement agreement incidental to either decree;

(7) transfers or exchanges to or from any governmental entity;
and

(8) transfers of property improved by new dwellings as defined in section 327A.01, subdivision 3.

Sec. 3. [82.37] [DELIVERY OF WRITTEN DISCLOSURE.]

Subdivision 1. [REQUIREMENT; TIMING.] A seller subject to this act shall deliver to a prospective buyer a written disclosure of the condition of the property subject to the transfer. The disclosure must consist of the form specified in section 6, must be signed by the seller, and must be delivered to the buyer prior to the time the prospective buyer makes an offer or final acceptance of the offer.

Subd. 2. [TERMINATION OF OFFER.] If the disclosure or a material amendment of the disclosure required to be made by this act is delivered after acceptance of an offer to purchase, the buyer has five days after delivery in person or seven days after delivery by

deposit in the mail, to terminate the offer by delivery of a written notice of termination to the seller or the seller's agent.

Sec. 4. [82.38] [ERRORS IN DISCLOSURE; REPORTS OR OPINIONS BY EXPERTS.]

Subdivision 1. [LIABILITY FOR ERROR.] The seller is not liable for any error, inaccuracy, or omission of any information contained in a disclosure statement if:

(1) the error, inaccuracy, or omission was not within the personal knowledge of the seller; or

(2) the error, inaccuracy, or omission was based on information timely provided by public agencies or by other persons as specified in subdivision 3.

Subd. 2. [INFORMATION FROM AGENCY.] Information from a public agency or other person providing information required to be disclosed under this act is in compliance with the requirements of this act and relieves the seller of any further duty with respect to that item of information.

Subd. 3. [INFORMATION FROM EXPERT.] A report or opinion prepared by a licensed engineer, land surveyor, geologist, structural pest control operator, contractor, or other expert, dealing with matters within the scope of the professional's license or expertise, is sufficient for application of the exemption provided by subdivision 1, clause (2), if the information is provided to the prospective buyer under a written or oral request. In responding to such a request, an expert may indicate, in writing, an understanding that the information provided will be used in fulfilling the requirements of this act and shall indicate the required disclosures, or parts of them, to which the information being furnished is applicable. Where such a statement is furnished, the expert is not responsible for any items of information, or parts of them, other than those expressly set forth in the statement.

Sec. 5. [82.39] [INFORMATION SUBSEQUENTLY RENDERED INACCURATE.]

If information initially disclosed is rendered inaccurate as a result of an act, occurrence, or agreement subsequent to the delivery of the required disclosures, the resulting inaccuracy does not violate this act. If at the time the disclosures are required to be made, an item of information required to be disclosed is unknown or unavailable to the seller and the seller has made a reasonable effort to obtain the information, the seller may use an approximation of the information, provided the approximation is clearly identified as such, is

reasonable, is based on the best information available to the seller, and is not used for the purpose of circumventing or evading this act.

Sec. 6. [82.40] [DISCLOSURE FORM.]

Subdivision 1. [FORM.] The disclosure statement required by section 3 must include the following information and must be in the following form:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY LOCATED IN THE CITY OF COUNTY OF STATE OF MINNESOTA, DESCRIBED AS THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH MINNESOTA STATUTES, SECTIONS 1 to 13. THIS DISCLOSURE IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

NOTE: IN ADDITION TO THE SELLER'S DISCLOSURES CONTAINED ON THIS FORM, ANY PERSON LICENSED TO SELL REAL ESTATE IN MINNESOTA MUST DISCLOSE TO A PROSPECTIVE BUYER ANY MATERIAL FACTS RELATING TO THE CONDITION OF THE PROPERTY OF WHICH THE LICENSEE IS AWARE WHICH COULD ADVERSELY AND SIGNIFICANTLY AFFECT AN ORDINARY PURCHASER'S USE OR ENJOYMENT OF THE PROPERTY. MINNESOTA RULES, PART 2805.1400, SUBPART 3, and MINNESOTA STATUTES, SECTION 82.19, SUBDIVISION 5, ALSO REQUIRE ANY BROKER OR SALESPERSON TO DISCLOSE IN WRITING TO ALL PARTIES INVOLVED IN A TRANSACTION WHOM THE BROKER OR SALESPERSON REPRESENTS.

NOTICE: A SELLER WHO FAILS TO CORRECTLY, TO THE EXTENT OF THE SELLER'S KNOWLEDGE, COMPLETE, SIGN, AND DELIVER THIS STATEMENT TO A BUYER, AND A SELLING BROKER OR AGENT WHO FAILS TO INFORM A BUYER OF THE BUYER'S RIGHT TO THIS DISCLOSURE STATEMENT OR FAILS TO ENSURE DELIVERY OF AN EXISTING STATEMENT TO A BUYER ARE LIABLE TO THE BUYER FOR DAMAGES INCURRED BY THE BUYER CAUSED BY THE LACK OF ACCURATE DISCLOSURE. SECTION 12. THE PARTIES TO ANY DISPUTE THAT ARISES PURSUANT TO THIS DISCLOSURE MUST SUBMIT THE DISPUTE FOR MEDIATION PRIOR TO BRINGING SUIT IN DISTRICT COURT.

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made in accordance with Minnesota Statutes, sections 1 to 13. Other statutes may also require disclosures, depending upon the details of the particular real estate transaction.

Substituted Disclosures: The following disclosures have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

.....
.....
.....
.....

(list all substituted disclosure forms to be used in connection with this transaction)

SELLERS INFORMATION

The seller discloses the following information with the knowledge that even though this is not a warranty, prospective buyers may rely on this information in deciding whether and on what terms to purchase the subject property. The seller(s) authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) TO THE EXTENT OF THE SELLER(S) KNOWLEDGE. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

A. GENERAL INFORMATION:

(1) When did you purchase or build the home?
.....

(2) Have you lived in this home for the past 12 months?
Yes No

(3) Has there been any flood or other disaster(s) at the property?
Yes No

If yes, give the details of what happened and when:

.....
.....

(4) Has the structure ever been altered (for example, additions, altered roof lines, changes to load bearing walls)? Yes No

If yes, please specify what was done, when, and by whom (owner or contractor):

(5) Is the property suitable for year-round use? Yes No

B. STRUCTURAL SYSTEMS:

Do any of the following conditions currently exist or have they previously existed:

Table with 3 columns: Question, YES, NO. Rows include: (1) The basement? (a) Foundation problem, (b) Flooding, (c) Wet Walls, (d) Leakage/seepage, (e) Drain tiling problem, (f) Cracked floors/walls, (g) Sewer backup, (h) Other.

Give details to any question answered "yes":

.....

(2) The roof?

(a) What is the age of the roofing material?

Comments:

(b) Has there ever been interior damage from ice buildup?

Yes No

(c) Has there ever been any leakage or other problems?

Yes No

(d) Have there ever been any repairs or replacements made to the roof? Yes No

Give details to any question answered "yes":

.....

C. SPECIAL COMMENTS ON HEATING, PLUMBING, ELECTRICAL AND MECHANICAL SYSTEMS: (The following are in working order and shall be at time of closing unless otherwise stated in

comments below. Cross off any items not included in the listing contract.)

	<u>YES</u>	<u>NO</u>
<u>Range</u>
<u>Oven</u>
<u>Hood</u>
<u>Refrigerator</u>
<u>Microwave Oven</u>
<u>Dishwasher</u>
<u>Freezer</u>
<u>Washer</u>
<u>Dryer</u>
<u>Trash Compactor</u>
<u>Garbage Disposal</u>
<u>Plumbing Systems</u>
<u>Toilet Mechanisms</u>
<u>Private Well</u>
<u>Intercom</u>
<u>Garage Door Openers & All Controls</u>
<u>Ventilating Fans/Fixtures</u>
<u>Security System</u>
<u>Smoke Detectors</u>
<u>Central Vacuum</u>
<u>Door Bells</u>
<u>Window Treatments</u>
<u>Water Heater</u>
<u>Sump Pump</u>
<u>Drain Tiling</u>
<u>Private Sewer System</u>
<u>Attached Antenna and Cables</u>
<u>Pool and Equipment</u>
<u>Central Heating System</u>
<u>Central Air Conditioning</u>
<u>Wall Air Conditioner(s)</u>
<u>Furnace Humidifier</u>
<u>Electronic Air Purifier</u>
<u>Supplemental Heater</u>
<u>Solar Collectors</u>
<u>Fireplace Equipment</u>
<u>Fireplace and/or Inserts</u>
<u>Woodburning Stove</u>
<u>Incinerator</u>
<u>Water Softener</u>
<u>Sprinkler System</u>
<u>Electrical Systems</u>
<u>Other</u>

Unused Well:

Is there a well on the property which is no longer in use?

Yes No

If yes, has it been sealed according to Minnesota Statutes, chapter 156A

Yes No

Contaminated Well:

Is there a well on the property containing contaminated water?

Yes No

Date well water last tested for contaminants:

Comments:

D. LAND USE AND PROPERTY CONDITION:

Are you aware of any of the following existing:

	<u>YES</u>	<u>NO</u>
<u>Encroachments</u>	...	...
<u>Soil Problems</u>	...	...
<u>Diseased Trees</u>	...	...
<u>Rodents</u>	...	...
<u>Insect Infestation</u>	...	...
<u>Restrictions or Reservations on the use of the property?</u>	<u>Yes</u>	<u>No</u>
<u>Easements other than utility or drainage easements which do not interfere with present improvements?</u>	<u>Yes</u>	<u>No</u>
<u>Is the property located in a designated flood plain?</u>	<u>Yes</u>	<u>No</u>

Comments:

E. INSULATION DISCLOSURE:

Does the insulation in the property contain urea formaldehyde foam?

Yes No

If unknown, so state:

Date insulation installed:

Type: Company:

Comments:

CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

Subd. 2. [FORM CHANGES.] The commissioner of commerce may, by rule, add, delete, or alter provisions of the form required in subdivision 1.

Sec. 7. [82.41] [GOOD FAITH REQUIRED.]

Each disclosure required by this act and each act that may be performed in making the disclosure, shall be made in good faith. "Good faith" means honesty in fact in the conduct of the transaction.

Sec. 8. [82.42] [EFFECT OF OTHER LAW.]

Subdivision 1. [DISCLOSURE NOT A LIMITATION.] The requirements of this act do not limit or abridge any obligation for disclosure created by any other law or any obligation that exists to prevent fraud, misrepresentation, or deceit in the transfer transaction.

Subd. 2. [MUNICIPAL ORDINANCES ALLOWED.] A county, town, or statutory or home rule charter city may adopt an ordinance changing or adding to the requirements of this act only if the ordinance requires greater disclosure, increases a seller's liability, or otherwise provides a greater degree of buyer protection.

Sec. 9. [82.43] [AMENDMENT OF DISCLOSURES.]

Any disclosure statement made pursuant to this act may be amended in writing by the seller. An amendment is subject to section 3.

Sec. 10. [82.44] [DELIVERY OF DISCLOSURES.]

Delivery of the disclosure statement must be made by personal delivery or by mail to the prospective buyer. Delivery to the spouse of a buyer is delivery to the buyer, unless provided otherwise by contract.

Sec. 11. [82.45] [BROKER RESPONSIBILITY.]

Subdivision 1. [WHICH BROKER TO DELIVER.] If more than one licensed real estate broker is acting as an agent in a transaction subject to this act, the selling broker shall, except as otherwise provided in this act, deliver the required disclosure statement to the buyer, unless the seller has given other written instructions for delivery.

Subd. 2. [ADVICE TO BUYER.] If a licensed real estate broker responsible for delivering the disclosure statement under this section cannot obtain the statement and does not have written assurance from the buyer that it has been received, the broker shall advise the buyer in writing of the buyer's right to the disclosure.

Sec. 12. [82.46] [FAILURE TO COMPLY.]

Subdivision 1. [EFFECT ON TRANSFER.] No transfer subject to this act is invalid solely because of the failure of any person to comply with any provision of it.

Subd. 2. [DAMAGES.] A person who negligently violates or fails to perform any duty prescribed by sections 1 to 13 is liable to the buyer in the amount of actual damages suffered by the buyer caused by the lack of accurate disclosure. A person who willfully violates or fails to perform any duty prescribed by sections 1 to 13 is liable to the buyer in the amount of double the actual damages suffered by the buyer.

A buyer who knowingly fails to request the disclosure statement from the seller may not recover damages from any person for failure to comply with the provisions of this act.

Subd. 3. [LIMITATIONS.] An action for damages based on violation of this act must be brought within three years of the date of transfer of the property and must be filed within one year of the date on which the facts alleged in the complaint could reasonably have been known. Nothing in this act relieves a buyer of the duty to exercise reasonable care with respect to facts known to the buyer or reasonably discoverable by the buyer.

Sec. 13. [82.47] [MEDIATION.]

The parties to any unsettled dispute that arises pursuant to this act must submit the dispute for mediation pursuant to sections 572.31 to 572.40 prior to bringing suit in district court, unless the parties have agreed to another alternative dispute resolution mechanism such as arbitration. Failure to engage in mediation in good faith is prima facie evidence of failure to comply with this act."

Delete the title and insert:

"A bill for an act relating to housing; requiring written disclosure of defects in residential housing before sale of that housing; providing for the form, delivery, and effect of disclosure; providing for mediation; proposing coding for new law in Minnesota Statutes, chapter 82."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1743, A bill for an act relating to the city of Eveleth; authorizing benefit increases for certain retired police officers, firefighters, and their surviving spouses.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1745, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes.

Reported the same back with the following amendments:

Page 1, line 20, after "and" insert "except that part of said Northeast Quarter of the Northeast Quarter which lies within a distance of 50 feet on each side of the following described line: From a point on the north line of said Section 17, distant 897.5 feet west of the northeast corner, run northwesterly at an angle of 54 degrees 53 minutes 00 seconds from said north section line for 169.29 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds for 223.41 feet; thence deflect to the right on a 10 degrees 00 minutes 00 seconds curve (delta angle 38 degrees 30 minutes 00 seconds) for 385 feet and there terminating; and"

Page 3, after line 2, insert:

"Sec. 2. [RAMSEY COUNTY LAND SALE.]

Ramsey county may sell to Richard J. Schreier, 2125 De Soto Street, Saint Paul, Minnesota 55117, a part of Government Lot three (3) in Section thirty-six (36), Township thirty (30) North of Range twenty-three (23) West of the Fourth Principal Meridian.

Notwithstanding any contrary provision of Minnesota Statutes, section 373.01 or other law, the land may be sold by a private, negotiated sale for a price not less than its appraised value.

The land to be sold is appropriate for development and is in excess of that needed by the county for other purposes."

Renumber remaining section in sequence

Amend the title as follows:

Page 1, line 4, after "purposes" insert "; permitting the county to make a negotiated land sale"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1746, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [196.021] [DEPUTY COMMISSIONERS TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a deputy commissioner for veteran services as provided in subdivision 2, and the board of directors of the Minnesota veterans home may appoint a deputy commissioner for veteran health care as provided in section 7. Both deputy commissioners serve in the unclassified service, the deputy for veteran services at the pleasure of the commissioner and the deputy for health care at the pleasure of the board. The salary of both deputies is not subject to section 43A.17, subdivision 1. Both deputies shall be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. [DEPUTY FOR VETERAN SERVICES; POWERS AND DUTIES.] The deputy commissioner for veteran services has those powers delegated by the commissioner that have not otherwise been delegated to the deputy commissioner for health care by the commissioner or assigned to that deputy commissioner by law. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 2. Minnesota Statutes 1986, section 196.03, is amended to read:

196.03 [OFFICERS AND EMPLOYEES.]

Except as provided in chapter 198, all officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 3. Minnesota Statutes 1986, section 196.05, is amended to read:

196.05 [DUTIES OF COMMISSIONER.]

The commissioner shall:

(1) Act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) Act as custodian of veterans' bonus records;

(3) Administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) Administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) Administer the state soldiers' welfare fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) Cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) Provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) Act as the guardian of the estate for a minor or an incompetent person receiving moneys from the United States government when requested to do so by an agency of the United States of America provided sufficient personnel are available;

(9) Cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by

federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(10) Assist in implementing state laws, rights and privileges relating to the reemployment of veterans upon their separation from the armed forces;

(11) Contact, at times as the commissioner deems proper, war veterans, as defined in section 197.447, who are confined in a public institution; investigate the treatment accorded those veterans and report annually to the governor the results of the investigations; and the heads of the public institutions shall permit the commissioner, or the commissioner's representative, to visit any veteran; and, if the commissioner, or the commissioner's representative requests any information relative to any veteran and the veteran's affairs, the head of the institution shall furnish it; and

(12) Exercise other powers as may be authorized and necessary to carry out the provisions of this chapter and chapters 197 and 198, consistent with those chapters.

Sec. 4. Minnesota Statutes 1986, section 198.001, is amended to read:

198.001 [DEFINITIONS.]

Subdivision 1. For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. "Resident" means a person admitted to any of the Minnesota veterans home homes.

Subd. 4. "Administrator" means ~~the~~ an administrator of any of the Minnesota veterans home homes.

Subd. 5. "Commissioner" means the commissioner of veterans affairs.

Subd. 6. "Board" means the board of directors of the Minnesota veterans homes, created by section 5.

Subd. 7. "Deputy commissioner" means the deputy commissioner of veterans affairs for health care.

Subd. 8. "Home" means any of the Minnesota veterans homes.

Sec. 5. [198.002] [BOARD OF DIRECTORS.]

Subdivision 1. [CREATION.] The Minnesota veterans homes are governed by a board of directors appointed by the governor.

Subd. 2. [MEMBERSHIP.] The board consists of nine voting members appointed by the governor with the advice and consent of the senate. Members of the board shall fairly represent the geographic areas of the state.

(1) a chair, designated by the governor;

(2) three public members experienced in policy formulation and knowledgeable about health care delivery; and

(3) five members who are veterans experienced in policy formulation and knowledgeable about health care delivery.

The commissioner of veterans affairs and the chair of the senate veterans affairs committee and the chair of the house committee on general legislation, veterans affairs, and gaming serve as ex officio, nonvoting members of the board.

Subd. 3. [TERMS; COMPENSATION.] Membership terms, compensation of members, removal of members, and filling of vacancies are as provided in section 15.0575.

Subd. 4. [INITIAL APPOINTMENTS.] Initial appointments to the board of directors are not subject to section 15.0597.

Subd. 5. [ADMINISTRATIVE SERVICES.] The commissioner of veterans affairs shall provide administrative services to the board necessary for it to carry out its responsibilities.

Subd. 6. [FUTURE ELIMINATION.] If the governor fails to appoint a board, or if the board is eliminated by any other means, its authority vests in the commissioner of veterans affairs.

Sec. 6. [198.003] [POWERS AND DUTIES.]

(a) It is the duty of the board and the board has the power to:

(1) determine policy and, subject to chapter 14, adopt, amend, and repeal rules for the governance of the homes;

(2) report quarterly to the governor on the management, operations, and quality of care provided at the homes;

(3) designate a person to participate as a member of the interagency board for quality assurance established under section 144A.31; and

(4) take other action as provided by law.

(b) The board may appoint a deputy commissioner who shall serve as secretary of the board.

Sec. 7. [198.004] [DEPUTY COMMISSIONER FOR HEALTH CARE TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The board may appoint a deputy commissioner of veterans affairs for veteran health care who shall have the training, experience, and other qualifications in the field of health care management as the board determines.

Subd. 2. [POWERS AND DUTIES.] If a deputy commissioner is appointed by the board, the deputy commissioner is the administrative head of the veterans homes and has the powers and duties provided by law and delegated by the commissioner. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state. If appointed, the deputy commissioner shall:

(1) act as an advisor to the board and shall also act as its secretary;

(2) attend the meetings of the board;

(3) prepare and recommend to the board policies and rules for governance of the homes;

(4) appoint an administrator of each home with the approval of the board;

(5) appoint other employees of the homes in accordance with chapter 43A, which appointment power must be delegated to administrators;

(6) define the duties of the administrators and employees, and delegate to the administrators those powers and duties determined by the deputy, subject to the control of the deputy;

(7) with the assistance of the administrators, prepare and submit biennial and annual budgets for the homes to the board and with the approval of the board submit the budgets to the commissioner of veterans affairs for review and comment. The commissioner shall forward the budgets to the commissioner of finance as part of the department's budget;

(8) report to the board, at least quarterly, on the management, operations, and quality of care at the homes; and

(9) with the approval of the board, perform other duties as may be required for the management and administration of the homes.

Sec. 8. [198.005] [ADMINISTRATORS.]

If a deputy commissioner of veterans health care is appointed by the board, the deputy commissioner shall, with the approval of the board, appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section 43A.17, subdivision 1. The deputy commissioner may remove an administrator with the approval of the board. If a deputy commissioner is not appointed by the board, the board shall appoint the administrators.

Sec. 9. [198.006] [SUPPLEMENTAL PROGRAMS.]

The board of directors shall work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

Sec. 10. [198.007] [QUALITY ASSURANCE.]

The board shall use the case-mix system established under section 144.072 to assess the appropriateness and quality of care and services provided residents of the homes.

The board shall adopt a preadmission screening program, such as the one established under section 256B.091, for all applicants for admission to the homes who may require nursing or boarding care.

Sec. 11. Minnesota Statutes 1986, section 198.01, is amended to read:

198.01 [VETERANS HOME; ELIGIBILITY OF VETERANS.]

The Minnesota veterans home homes shall provide a home nursing care and related health and social services for veterans and their spouses, surviving spouses, and parents, who meet eligibility and admission requirements, and who comply with the rules of the Minnesota veterans home homes. Persons who served in the armed forces of the United States during a period of war, and who were discharged or released from the armed forces under conditions other than dishonorable, and who did not receive a bad conduct discharge, shall be eligible for admission to the Minnesota veterans home. Persons who received bad conduct or dishonorable discharges from the armed forces of the United States as a result of drug dependency or abuse shall be eligible for admission to the Minnesota veterans home. The word "veteran" as used in this section means any person who is a citizen of the United States or resident alien and has been separated under honorable conditions from any branch of the armed

forces of the United States: (a) after service on active duty for 181 consecutive days; or, (b) after service during a period of war; or, (c) by reason of disability incurred while serving on active duty has the meaning provided in section 197.447. A "period of war" is:

(1) The Spanish-American War, April 21, 1898, through July 4, 1902.

(a) Includes Philippine Insurrection and Boxer Rebellion.

(b) Includes service in Moro Province, April 21, 1898, through July 15, 1903.

(2) World War I, April 6, 1917, through April 1, 1920.

(a) Includes service in Russia, April 16, 1917, through April 1, 1920.

(b) Includes service through July 2, 1921, if active duty performed during basic war period.

(3) World War II, December 7, 1941, through December 31, 1946 and through July 25, 1947, if continuous duty began on or before December 31, 1946.

(4) The Korean Conflict, June 27, 1950, through January 31, 1955.

(5) The Vietnam era, August 5, 1964, through July 27, 1973.

Sec. 12. Minnesota Statutes 1986, section 198.022, is amended to read:

198.022 [ELIGIBILITY OF SPOUSES, SURVIVING SPOUSES, PARENTS.]

The commissioner board is hereby authorized to admit eligible spouses accompanying veterans, or to admit spouses, surviving spouses and parents of those veterans who are or if living would be, eligible for admission to the ~~home~~ homes.

(1) All applicants for admission to the Minnesota veterans home must be without adequate means of support and unable by reason of wounds, disease, old age, or infirmity to properly maintain themselves.

(2) Veterans must have served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission.

(3) Spouses, surviving spouses, and parents of eligible veterans must be at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for admission.

(4) A surviving spouse, eligible for admission except that the veteran did not serve in a Minnesota regiment or was not a resident of Minnesota at the time of death may be eligible for admission provided the surviving spouse has resided in the state not less than 15 years next preceding the date of application for admission.

(5) A spouse, surviving spouse or parent of the veteran who has previously been a resident of Minnesota for not less than ten years and who lost residency in the state by moving therefrom for the benefit of health or the health of a spouse or child, and who has returned to the state for the purpose of making it home is eligible for admission to the veterans home provided the spouse is otherwise eligible.

(6) A spouse or surviving spouse of a veteran of the Civil War shall be eligible for admission if married to the veteran prior to the year 1905. A spouse or surviving spouse of a veteran of the Spanish-American War, the Philippine Insurrection, or the Boxer Rebellion shall be eligible for admission if married to the veteran prior to December 31, 1937.

Sec. 13. Minnesota Statutes 1986, section 198.03, is amended to read:

198.03 [MAINTENANCE CHARGES.]

Any person otherwise eligible for admission to the Minnesota veterans home homes, except that the person has means of support, may, at the discretion of the commissioner of veterans affairs board, be admitted to one of the Minnesota veterans home homes upon entering into and complying with the terms of a contract made by the person with the ~~commissioner~~ board, providing for reasonable compensation to be paid by such person to the state of Minnesota for care, support, and maintenance in the home. Any earnings derived by the person from participating in a work therapy program while the person is a resident of the home may not be considered a means of support.

Sec. 14. Minnesota Statutes 1986, section 198.05, is amended to read:

198.05 [NEW BUILDINGS.]

The department of administration shall have and exercise full authority in the erection and construction of new buildings at the veterans ~~home~~ homes. When new buildings are to be erected and

constructed by authority of the state or old buildings to be remodeled it shall be the duty of the department of administration to cause to be prepared plans and specifications for the same, but in so doing it shall consult with the ~~commissioner~~ board in respect to these plans and specifications and shall adopt and carry out, so far as it deems practicable, their requests and desires in the matter.

Sec. 15. Minnesota Statutes 1986, section 198.065, is amended to read:

198.065 [CHIROPRACTIC CARE AVAILABILITY.]

In addition to the other services now provided to residents of the Minnesota veterans ~~home~~ homes, the ~~commissioner~~ board shall provide chiropractic services. The services shall be provided, as appropriations permit, without charge to residents by a licensed chiropractor who is either employed by the ~~commissioner~~ board for the purpose or who has contracted with the ~~commissioner~~ board to provide the services.

Sec. 16. [198.066] [GERIATRIC RESEARCH AND TEACHING.]

The board of directors shall develop a geriatric research and teaching mission for the homes in collaboration with the Veterans Administration and other medical education and allied health facilities.

Sec. 17. Minnesota Statutes 1986, section 198.075, is amended to read:

198.075 [MINNESOTA VETERANS HOME EMPLOYEES; EXCLUDED FROM COMMISSARY PRIVILEGES.]

No commissary privileges including food, laundry service, janitorial service, and household supplies shall be furnished to any employee of the Minnesota veterans ~~home~~ homes.

Sec. 18. Minnesota Statutes 1986, section 198.16, is amended to read:

198.16 [DONATIONS; GENERAL PURPOSES.]

The ~~commissioner~~ board is hereby authorized to accept on behalf of the state any gift, grant, bequest, or devise made for the purposes of this chapter, and administer the same as directed by the donor. All proceeds therefrom including moneys derived from the sale of any real or personal property shall be deposited in the state treasury and credited to the Minnesota veterans home endowment, bequest, and devises fund. Said fund shall consist of two accounts, one of which shall include any trusts prescribed by the donor, the other shall

include any currently expendable proceeds. Disbursements from this fund shall be made in the manner provided for the issuance of other state warrants.

Whenever the ~~commissioner~~ board shall deem it advisable, in accordance with law, to sell or otherwise dispose of any real or personal property thus acquired, the commissioner of administration upon the request of the ~~commissioner~~ of veterans affairs board shall sell or otherwise dispose of said property in the manner provided by law for the sale or disposition of other state property by the commissioner of administration.

Sec. 19. Minnesota Statutes 1986, section 198.161, is amended to read:

198.161 [DONATIONS; PARTICULAR PURPOSES.]

The commissioner may accept donations and gifts of money for the benefit of the residents of the ~~home~~ homes. All moneys so received shall be deposited in a separate account ~~at~~ for the home and records shall be kept, clearly showing the identity of the donor, the purpose of the donation and the ultimate disposition of the donation. Each donation shall be duly receipted and shall be expended or used by the ~~commissioner~~ board as nearly in accordance with the condition of the gift or donation as is compatible with the best interests of the residents of the ~~home~~ homes. The donations so received to the extent they are made to the state of Minnesota are hereby appropriated to the ~~commissioner~~ of veterans affairs board for the purposes of this chapter.

Sec. 20. Minnesota Statutes 1986, section 198.23, is amended to read:

198.23 [PERSONAL PROPERTY OF RESIDENTS; WILLS.]

Upon the decease of any resident of the ~~home~~ homes, the ~~commissioner~~ board shall cause such of the resident's personal estate as may be left in the resident's possession to be disposed of pursuant to the resident's will, if any. All property of the deceased resident of the home not so bequeathed by will, and remaining at ~~the~~ a home, unclaimed, for one year after the resident's death, shall be inventoried, appraised, and sold, and the proceeds thereof paid into the state treasury to the credit of the Minnesota veterans ~~home~~ homes endowment, bequest and devises fund.

Sec. 21. Minnesota Statutes 1986, section 198.231, is amended to read:

198.231 [PERSONAL PROPERTY OF DISCHARGED RESIDENTS.]

Personal property of discharged residents of the veterans ~~home~~ homes that remains unclaimed for one year after discharge may be inventoried, appraised, and sold. The proceeds from the sale must be deposited into the state treasury. Proceeds from the sale of personal property and any funds held on behalf of the resident in the member's depository accounts must be credited to a separate state account and disposed of in accordance with sections 345.41 to 345.43.

Sec. 22. Minnesota Statutes 1986, section 198.261, is amended to read:

198.261 [CANTEEN AND COFFEE SHOP.]

Any profits derived from the operation of ~~the canteen~~ canteens and coffee ~~shop~~ shops at the Minnesota veterans ~~home~~ homes shall be used by the ~~commissioner~~ board only for the direct benefit of the residents of the ~~home~~ homes.

Sec. 23. Minnesota Statutes 1986, section 198.265, is amended to read:

198.265 [DEPOSITORY ACCOUNTS.]

The ~~commissioner~~ board may accept moneys from residents for safe keeping purposes to be returned to such residents on demand. Sufficient money shall be retained at the ~~home~~ homes to satisfy normal demand withdrawal requests of the residents and other anticipated needs. Residents' deposits shall otherwise be deposited in the state treasury to a separate investment account provided by the commissioner of finance, which shall be invested by the state board of investment in accordance with section 11A.21. Residents' moneys on deposit in this account may be placed in this account only after the member has signed an agreement that the resident is willing to have the money in an account that does not draw interest directly to the resident personally.

There is annually appropriated from the account established by this section a sufficient amount to return to the Minnesota veterans ~~home~~ homes, upon written request, sufficient money to satisfy the demand of residents for the return of their money and other requirements.

The interest earned from the investment of the deposits is annually appropriated to the commissioner from the account established by this section to be used by the ~~commissioner~~ board only for the direct benefit of the residents of the ~~home~~ homes, and the interest shall be available to the ~~home~~ homes not less than twice each year.

Sec. 24. Minnesota Statutes 1986, section 198.266, is amended to read:

198.266 [IMPREST CASH FUNDS.]

The ~~commissioner~~ board may establish an imprest cash fund in accordance with section 15.191, subdivision 2. The purpose of the fund is to maintain sufficient money to satisfy normal demand withdrawal requests from residents of the veterans homes as provided for in section 198.265. The fund may also be utilized for the payment of costs for residents to participate in on campus work therapy programs.

Sec. 25. Minnesota Statutes 1986, section 198.31, is amended to read:

198.31 [VETERANS HOME, HASTINGS.]

Control of the state hospital facilities at Hastings is transferred to the ~~commissioner of veterans affairs~~ board. This transfer includes the cemetery. The ~~commissioner~~ board shall establish a 200 bed veterans home in these facilities. The veterans home shall be licensed in accordance with the boarding care rules of the department of health. ~~To the extent practical, the veterans home at Hastings shall be operated in the same manner as provided for the Minnesota veterans home at Minneapolis by sections 198.001 to 198.265.~~

Sec. 26. Minnesota Statutes 1986, section 198.32, is amended to read:

198.32 [VETERANS HOME; COMPLAINTS; RESIDENT'S RIGHTS.]

Subdivision 1. [RESIDENT'S RIGHTS.] A resident of the a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the board or to the commissioner of veterans affairs. Each resident of the a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or

reprisal, including retaliatory eviction. A resident of the a home may not be denied any tenant rights available under chapter 566, including the right to recover possession of the premises.

Subd. 2. [RETALIATION PROHIBITED.] ~~The~~ An administrator may not retaliate against any resident who exercises the right to voice grievances by evicting the resident. There shall be a rebuttable presumption that any eviction within 45 days of the exercise by a resident of the right to voice grievances is retaliatory.

Sec. 27. Minnesota Statutes 1986, section 198.33, is amended to read:

198.33 [PRIVACY OF RESIDENTS; SEARCH AND SEIZURE LIMITED TO CRIMINAL WARRANT.]

Subdivision 1. [SEARCHES PROHIBITED.] Residents of the Minnesota veterans home homes have the right to a legitimate expectation of privacy in their persons and property against unreasonable searches and seizures. A search of a resident's room or property may be conducted only when necessary to protect the residents from weapons, illegal drugs, or alcohol, if possession is prohibited by the ~~commissioner~~ board, and is subject to the following:

(a) Prior to conducting a search of a resident's room or property, the administrator shall provide written authorization to conduct the search. This authorization must identify the resident whose room or property is to be searched, state the nature of the risk to the health or safety of that resident or to other individuals in the home, set forth the facts which establish that the risk exists and the source of those facts, and particularly describe the area to be searched and the property to be seized. A separate authorization must be completed for each resident whose room or property is to be searched.

(b) The resident shall be informed of the reasons necessitating a search of the room or property and shall be present during the conduct of the search if the resident requests to be present. A copy of the administrator's authorization must be given to the resident.

(c) If property or other items are taken, a written receipt describing the property or items taken must be given to the resident.

(d) The provisions of this section do not restrict the entry by employees of the home into a resident's room or into areas where the personal possessions of residents are stored for the purpose of providing care or services to the resident or for housekeeping and maintenance purposes. The provisions of this section do not apply to inspections conducted by governmental agencies for the purpose of assessing compliance with state or federal laws and regulations.

(e) Unauthorized searches or seizures by employees of the Minnesota veterans home homes may be grounds for dismissal.

Subd. 2. [WAIVER PROHIBITED.] The Minnesota veterans home homes may not require a resident to waive protection against unreasonable searches and seizures as a condition of eligibility for admission or continuing residence at the a home. A search conducted under a waiver obtained in violation of this section is an unlawful search and seizure and the person aggrieved may move the district court for return of the property under section 626.21.

Sec. 28. Minnesota Statutes 1986, section 198.34, is amended to read:

198.34 [DEPOSIT OF RECEIPTS.]

Federal money received by the commissioner board for the care of veterans in a veterans home, after being credited to a federal receipt account, must be transferred to the special revenue fund in the state treasury. Money paid to the commissioner board by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury and credited to the special revenue fund.

Sec. 29. [TRANSFER.]

The duties of the commissioner of veterans affairs relating to the governance, management, and administration of the Minnesota veterans homes in Minneapolis and Hastings, transferred to the commissioner of human services by the commissioner of administration by reorganization order 149, are transferred to the board of directors of the Minnesota veterans homes created in section 5. The transfer is governed by Minnesota Statutes, section 15.039.

Sec. 30. [TRANSFER OF LICENSE; INSPECTION.]

Notwithstanding Minnesota Statutes, sections 144A.04, subdivision 4, and 144A.11, subdivision 2, the commissioner of health shall issue new licenses for the Minnesota veterans homes in Minneapolis and Hastings to the board of directors of the homes upon the application of the board.

The commissioner of health shall conduct an announced on-site review of the Minnesota veterans homes within 30 days after the issuance of licenses to the board of directors. The board shall invite officials of the Veterans Administration to also conduct an inspection.

Sec. 31. [APPROPRIATION.]

\$30,000 in fiscal year 1988 and \$125,000 in fiscal year 1989 is appropriated from the general fund to the board of the Minnesota veterans homes for the purposes of Minnesota Statutes, chapter 198.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1751, A bill for an act relating to state finances; providing for the cancellation of combined sewer overflow loan repayments to the state by the city of Minneapolis upon certain conditions.

Reported the same back with the following amendments:

Page 1, after line 20, insert:

"Sec. 2. [RIVERFRONT REDEVELOPMENT BONDS.]

Subdivision 1. The city of Saint Paul is authorized to issue \$10,500,000 in general obligation bonds for the purpose of Shepard and Warner Road reconstruction, related land acquisition and

riverfront redevelopment. None of these funds may be used to develop a grade-separated interchange at the intersection of Shepard and Chestnut roads. The bonds must be issued before December 31, 1988. Bonds issued pursuant to this subdivision shall not be included in the net debt of the city as defined in its charter or in Minnesota Statutes, section 475.51, subdivision 4.

Subd. 2. Upon certification by the city of Saint Paul to the state department of finance and pollution control agency that the city has issued \$10,500,000 in bonds under subdivision 1, any current or future repayments required by Minnesota Statutes, section 116.162, subdivision 6, are canceled."

Re-number remaining section in sequence

Page 1, line 23, delete "section 1 takes" and insert "sections 1 and 2 take"

Amend the title as follows:

Page 1, line 4, after "Minneapolis" insert "and the city of Saint Paul"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Stat-

utes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Reported the same back with the following amendments:

Page 2, delete lines 9 and 10

Page 2, line 11, delete "(d)" and insert "(c)"

Page 2, line 13, delete "(e)" and insert "(d)"

Page 2, line 16, delete "(f)" and insert "(e)"

Page 2, line 25, delete "(g)" and insert "(f)"

Page 3, line 14, delete "The"

Page 3, delete lines 15 and 16

Page 4, delete lines 4 to 13

Page 5, delete lines 10 to 23

Page 5, line 24, delete "8" and insert "7"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 8, after line 29, insert:

"Sec. 7. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] Unleaded gasoline with an octane rating of 90 or less may not be sold in the metropolitan area as defined in section 473.121, for use in motor vehicles unless it is a gasoline blend consisting of 3.5 oxygen content by weight.

Sec. 8. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, the public service commission, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 7. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;

(3) the possibility of a reduced need for an inspection and maintenance program;

(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles and other gasoline-powered internal combustion engines;

(5) the energy efficiency of the various fuels;

(6) the physical feasibility of blending the fuels with gasoline;

(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;

(8) the effect on the highway users distribution fund; and

(9) other relevant matters."

Page 9, line 10, delete "1 to 9" and insert "1 to 6 and 8"

Page 9, line 11, after the period insert "Section 7 is effective January 1, 1991. Sections 9 and 10 are effective July 1, 1988."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

“A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.”

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.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1809, A bill for an act relating to the operation of the state displaced homemaker program; providing assistance to displaced homemakers; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1818, A bill for an act relating to traffic regulations; providing for alternative slow-moving vehicle emblem for persons with sincerely held religious beliefs; amending Minnesota Statutes 1987 Supplement, section 169.522, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1860, A bill for an act relating to the city of Minneapolis;

providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

“Sec. 3. Laws 1980, chapter 595, section 3, is amended by adding a subdivision to read:

Subd. 13. No bond required from a contractor or developer for any work of construction may be waived or reduced under this section.”

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 4, delete “a subdivision” and insert “subdivisions”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

Reported the same back with the following amendments:

Page 1, line 26, before the period insert “;

(k) Director of regulatory service;

(l) Director of communications and information service;

(m) Director of neighborhood services;

(n) Assistant to coordinator;

(o) Labor relations representative”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1863, A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

Reported the same back with the following amendments:

Page 1, line 11, delete "Moundsvew" and insert "Mounds View"

Page 1, line 23, delete "following final enactment" and insert "after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the hospital board of the North Suburban Hospital District."

Page 1, delete lines 24 and 25

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1914, A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies;

homeowners policies; no-fault auto policies; dram shop policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; requiring coverage for water damage; defining certain terms; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating certain dram shop policy exclusions; regulating notaries public; extending the period of appointment; amending Minnesota Statutes 1986, sections 60A.02, subdivision 7, and by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivisions 1 and 10; 60A.1701, subdivisions 1 and 9; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.27, subdivision 1, and by adding a subdivision; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 340A.409, subdivision 1; 359.02; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.152, subdivision 2; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11; 62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding subdivisions; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 45; 62A; 65A; and 72A; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and 60C.06, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 45.025, subdivision 8, is amended to read:

Subd. 8. [CIVIL REMEDY.] A person violating this section is liable to a purchaser of the investment product. The purchaser may sue either in equity for rescission upon tender of the investment product or at law for damages if the purchaser no longer owns the investment product. In an action for rescission, the purchaser is

entitled to recover the consideration paid for the investment product, together with interest at the legal rate, costs, and reasonable attorney fees, less the amount of any income received on the investment product. In an action at law, damages are the consideration paid for the investment product together with interest at the legal rate to the date of disposition, costs, and reasonable attorney fees, less the value of the investment product at the date of disposition. Subject to the exceptions in subdivision 3, if the advertisement advertises an investment product whose interest rate varies according to the earnings or income of the issuer and if the advertisement projects the accumulated earnings for a period longer than one year, the issuer and agent are jointly and severally liable to the purchaser for the difference in the principal and interest received by the purchaser and the principal and interest as projected in the advertisement.

Sec. 2. Minnesota Statutes 1987 Supplement, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTION AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 309, or 332, or censure that person if the commissioner finds that:

- (1) the order is in the public interest; or and
- (2) the person has violated chapters 45 to 83, 309, or 332.

Sec. 3. Minnesota Statutes 1986, section 60A.02, is amended by adding a subdivision to read:

Subd. 2a. [CONTINUED.] An insurance policy that is issued for a term in excess of one year or that has no specified term or that is designated as being continuous is "continued" each year on the anniversary date of the issuance of the policy.

Sec. 4. Minnesota Statutes 1986, section 60A.08, is amended by adding a subdivision to read:

Subd. 12. [REDUCTION OF LIMITS BY COSTS OF DEFENSE PROHIBITED.] No insurer shall issue or renew a policy of liability insurance in this state, other than professional liability insurance, that reduces the limits of liability stated in the policy by the costs of legal defense.

Sec. 5. Minnesota Statutes 1986, section 60A.08, is amended by adding a subdivision to read:

Subd. 13. [EXCLUSIONS.] All liability policies must provide coverage for rented vehicles as required in chapter 65B.

This subdivision does not apply to liability policies that the commissioner has exempted by order.

This coverage can be excess over any and all specific motor vehicle coverage that is applicable.

Sec. 6. Minnesota Statutes 1986, section 60A.17, subdivision 10, is amended to read:

Subd. 10. [COMMISSIONS OR COMPENSATION.] No commission or other compensation, including commission-splitting, rebate, finder's fees, or otherwise, shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee or agent, or to a corporation of which the agent is an officer, employee or agent. This section shall not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.

Sec. 7. Minnesota Statutes 1987 Supplement, section 60A.17, subdivision 12, is amended to read:

Subd. 12. [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.] Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, except for a policy, certificate, or contract issued pursuant to sections 60A.195 to 60A.209, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 8. Minnesota Statutes 1986, section 60A.1701, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of this section,

"course" means a course, program of instruction, or seminar of continuing insurance education. A "national examination" is a program of instruction, provided either in a classroom or through home study, that leads to a nationally recognized professional insurance designation and concludes with a proctored graded examination.

Sec. 9. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than \$50 payable to the state of Minnesota for deposit in the general fund. A fee of \$5 for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. ~~If The advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.~~

~~(b) If The advisory task force is created, it shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.~~

(c) The advisory task force shall recommend the approval or disapproval of national examinations that meet the criteria established by this section and the number of continuing education credit hours to be awarded. In order to be approved, a national examination must:

(1) lead to a nationally recognized professional insurance designation; and

(2) conclude with a written examination that is proctored.

Sec. 10. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program

approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove national examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a national examination, the agent must pass the examination. An agent studying for a national examination through classroom instruction may receive continuing education regardless of the agent's participation in the proctored examination as determined by the task force.

(c) The commissioner may not accredit a course:

- (1) that is designed to prepare students for a license examination;
- (2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;
- (3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;
- (4) in motivation, the art of selling, psychology, or time management;
- (5) unless, with the exception of home study for national examinations, the student attends classroom instruction conducted by an instructor approved by the department of commerce; or
- (6) which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce.

Sec. 11. Minnesota Statutes 1987 Supplement, section 60A.1701, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of ~~20~~ 15 credit hours of courses accredited by the commissioner. Any person teaching or lecturing at an accredited course qualifies for ~~1½~~ three times the number of credit hours that would be granted to a person completing the accredited course. ~~No more than ten credit hours per year may be credited to a person for instructor shall receive credit for instruction or attendance at subsequent offerings of the same course. Courses may not be sponsored by, offered by, or affiliated with an insurance company or its agents. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.~~

Sec. 12. Minnesota Statutes 1986, section 60A.1701, subdivision 9, is amended to read:

Subd. 9. [WAIVER OF REQUIREMENTS.] (a) The commissioner may grant a waiver or an extension of time up to 90 days to complete the minimum education requirement to an individual upon a showing of good cause. It is the licensed person's responsibility to request a waiver or extension on a form prescribed by the commissioner. As of the day the licensed person properly files a request for a waiver or extension, the license remains in effect until the commissioner notifies the licensed person of the commissioner's decision. The commissioner may approve a waiver or extension subject to any reasonable conditions. The person's license remains in effect during the compliance period determined by the commissioner. If the licensed person fails to comply with any reasonable conditions imposed by the commissioner, the commissioner shall terminate the license. If the request for a waiver or extension is denied by the commissioner, the licensed person shall have 30 days within which to satisfy the minimum education requirement involved in the request for a waiver or extension. If the minimum education requirement is not satisfied within the compliance period, the commissioner shall terminate the person's license.

(b) Upon application on a form prescribed by the commissioner, the commissioner may grant a waiver of the minimum education requirement to a group or class of licensed persons upon a showing of good cause licensee who is no longer actively engaged in the solicitation and sale of insurance. A licensed person seeking such a waiver from the requirements of this section may be required to submit information to the commissioner that substantiates the person's retirement or inactive status. A licensed person receiving a waiver from the commissioner may maintain and renew a license but may not solicit or sell new insurance business while this waiver is in effect. For the purposes of receiving renewal commissions, and other benefits or compensation from insurers, an agent receiving a waiver under this section is considered to be the holder of a valid insurance agent license in this state.

Sec. 13. Minnesota Statutes 1986, section 60A.198, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person shall not act in any other manner as an agent or broker in the transaction of surplus lines insurance unless licensed under sections 60A.195 to 60A.209. A licensed resident agent may, without a surplus lines license, place and receive compensation for placement of a policy with a surplus lines licensee.

Sec. 14. Minnesota Statutes 1986, section 60A.205, is amended by adding a subdivision to read:

Subd. 3. [LIABILITY OF RESIDENT AGENT.] Notwithstanding any other provision of sections 60A.195 to 60A.209, a licensed resident agent placing business through a licensee shall not be held personally liable unless the agent has failed to assure that the insurer or licensee has complied with the notification requirement provided under section 60A.207.

Sec. 15. Minnesota Statutes 1986, section 60B.17, subdivision 2, is amended to read:

Subd. 2. [GENERAL POWER.] Subject to court approval, the rehabilitator may take such action as that person deems necessary or expedient to reform and revitalize the insurer. The rehabilitator shall have all the powers of the officers and managers, whose authority shall be suspended, except as they are redelegated by the rehabilitator and shall have full power to direct and manage, to hire and discharge employees subject to any contract rights they may have, and to deal with the property and business of the insurer.

The rehabilitator may negotiate with a creditor to compromise a claim.

Sec. 16. Minnesota Statutes 1986, section 60B.17, is amended by adding a subdivision to read:

Subd. 8. [TREATMENT OF CLAIMS.] A plan may discharge the claims of creditors arising before the effective date of the plan, except that the claims of secured creditors must be provided for to the extent of their collateral value. The plan must provide for secured claims by paying secured creditors the equivalent of the fair market value of the collateral securing their claims. The fair market value must be determined on the date of the hearing to approve the plan. The plan may modify the time over which repayment may be made or the interest rate or finance charge of a security agreement.

Sec. 17. Minnesota Statutes 1986, section 60B.17, is amended by adding a subdivision to read:

Subd. 9. [PLAN APPROVAL.] The court shall approve a plan that is in the best interest of insureds or the public. In determining whether a plan is in the best interests of the insureds or the public, the court shall give great weight to the recommendation of the rehabilitator and the commissioner. Upon the court's approval of the plan, the insurer and all creditors are bound by its terms. Approval of the plan discharges all claims against the insurer and the insurer's property is free and clear of all claims or interests of a creditor, except to the extent provided in the plan.

Sec. 18. Minnesota Statutes 1986, section 61A.011, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any other provision of law when any insurer, including a fraternal benefit society, admitted to transact life insurance in this state pays the proceeds of or payments under any policy of life insurance, individual or group, such insurer shall pay interest at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer, computed from the insured's death until the date of payment, on any such proceeds or payments payable to a beneficiary residing in this state, or to a beneficiary under a policy issued in this state or to a beneficiary under a policy insuring a person resident in this state at the time of death. If the insurer has no established current rate of interest for death proceeds left on deposit with the insurer, then the rate of interest to be paid under this subdivision shall be the rate of interest charged by the insurer to policy holders for loans under the insurer's policies.

Sec. 19. Minnesota Statutes 1987 Supplement, section 61A.092, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF OPTIONS.] Upon termination of or layoff from employment of a covered employee, the employer shall inform the employee of:

- (1) the employee's right to elect to continue the coverage;
- (2) the amount the employee must pay monthly to the employer to retain the coverage;
- (3) the manner in which and the office of the employer to which the payment to the employer must be made; and
- (4) the time by which the payments to the employer must be made to retain coverage.

The employee has 60 days within which to elect coverage. The 60-day period shall begin to run on the date coverage would otherwise terminate or on the date upon which notice of the right to coverage is received, whichever is later.

Notice must be in writing and sent by first class certified mail to the employee's last known address which the employee has provided to the employer.

A notice in substantially the following form is sufficient: "As a terminated or laid off employee, the law authorizes you to maintain your group insurance benefits for a period of up to 18 months. To do so, you must notify your former employer within 60 days of your receipt of this notice that you intend to retain this coverage and must make a monthly payment of \$..... at by the of each month."

Sec. 20. Minnesota Statutes 1987 Supplement, section 61B.02, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Sections 61B.01 to 61B.16 apply to direct life insurance policies, health insurance policies including subscriber contracts issued by a nonprofit health service plan corporation operating under chapter 62C, annuity contracts, and contracts supplemental to life and health insurance policies or annuity contracts owned by Minnesota residents, issued by persons authorized at any time to transact insurance or business as a nonprofit health service plan corporation operating under chapter 62C in this state. Sections 61B.01 to 61B.16 do not apply to:

(a) any policy or contract or part thereof under which the risk is borne by the policyholder;

(b) any policy or contract or part thereof assumed by an impaired insurer under a contract of reinsurance other than reinsurance for which assumption certificates have been issued;

(c) any policy or contract issued by an assessment benefit association operating under chapter 63, or a fraternal benefit society operating under chapter 64B; or

(d) any health insurance policies issued by a person other than a person authorized to write life insurance in this state or other than a person whose corporate charter would permit the writing of life insurance but who is authorized to write only health insurance in this state; or

(e) any policy not owned by a Minnesota resident.

Sec. 21. Minnesota Statutes 1986, section 61B.03, subdivision 6, is amended to read:

Subd. 6. "Covered policy" means any policy or contract owned by a Minnesota resident to which sections 61B.01 to 61B.16 apply, as provided in section 61B.02.

Sec. 22. Minnesota Statutes 1986, section 62A.01, is amended to read:

62A.01 [POLICY OF ACCIDENT AND SICKNESS INSURANCE DEFINED.]

The term "policy of accident and sickness insurance" as used herein includes any policy covering the kind of insurance described in section 60A.06, subdivision 1, clause (5)(a).

For purposes of chapters 62A and 62E, the term "policy" also includes a certificate of insurance or similar evidence of insurance coverage issued to a Minnesota resident.

This section supersedes any inconsistent provision of chapters 62A and 62E.

A policy of accident and sickness insurance that is issued or delivered in this state and that covers a person residing in another state may as to that person provide coverage or contain provisions that are less favorable to that person than required by chapters 62A and 62E. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.

Sec. 23. Minnesota Statutes 1987 Supplement, section 62A.041, is amended to read:

62A.041 [MATERNITY BENEFITS.]

Subdivision 1. [DISCRIMINATION PROHIBITED AGAINST UNMARRIED WOMEN.] Each group policy of accident and health insurance and each group health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents that it provides to married women including the wives of employees choosing dependent family coverage. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each group policy and each group contract shall provide the same coverage for that child as that provided for the child of a married employee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Each individual policy of accident and health insurance and each individual health maintenance contract shall provide the same coverage for maternity benefits to unmarried women and minor female dependents as that provided for married women. If an unmarried insured or an unmarried enrollee is a parent of a dependent child, each individual policy and each individual contract shall also provide the same coverage for that child as that provided for the child of a married insured or a married enrollee choosing dependent family coverage if the insured or the enrollee elects dependent family coverage.

Subd. 2. [LIMITATION ON COVERAGE PROHIBITED.] Each group policy of accident and health insurance, except for policies which only provide coverage for specified diseases, or each group subscriber contract of accident and health insurance or health maintenance contract, issued or renewed after August 1, 1987, shall include maternity benefits in the same manner as any other illness covered under the policy or contract.

Subd. 3. [ABORTION.] For the purposes of this section, the term "maternity benefits" shall not include elective, induced abortion whether performed in a hospital, other abortion facility, or the office of a physician.

This section applies to policies and contracts issued, delivered, or renewed after August 1, 1985, that cover Minnesota residents.

Sec. 24. [62A.047] [LIMITATION ON PREAUTHORIZATIONS.]

No policy of accident and sickness insurance issued or renewed in this state may contain a provision that renders an insured person ineligible to receive full benefits because of the insured's failure to obtain preauthorization if that failure occurs after emergency confinement or emergency treatment; provided, however, that to the extent that the insurer can show actual prejudice caused by the failure to obtain preauthorization, the insured may be denied all or part of their benefits.

Sec. 25. [62A.155] [TREATMENT RESTRICTIONS.]

No group policy or plan of health and accident insurance regulated under this chapter which provides coverage for a particular health care treatment or procedure shall contain a provision requiring that the health care treatment or procedure be performed within an unreasonable time period.

Sec. 26. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered satisfies any preexisting conditions limitations and obtains full health care coverage under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter.

Sec. 27. [62A.215] [CONVERSION PRIVILEGES UNDER AN INDIVIDUAL AND GROUP POLICY.]

Subdivision 1. [COVERAGE PRIVILEGES.] Every individual and group policy, plan, or contract of accident and health insurance providing coverage of hospital or medical expenses, which in addition to covering the insured also provides coverage to the dependents of the insured, shall contain a provision allowing a former dependent of an insured, without providing evidence of insurability, to obtain from the insurer, upon the termination of coverage, conversion coverage providing at least the same policy, plan, or contract with identical coverage, priced at a rate appropriate for individuals of the same age and sex. A policy, plan, or contract providing reduced benefits at a reduced premium rate may be accepted by the former dependent in lieu of the optional coverage otherwise required by this section. The individual policy, plan, or contract shall be renewable annually at the option of the former dependent as long as the former dependent is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended.

Subd. 2. [TERMINATION UPON ATTAINMENT OF SPECIFIC AGE.] Every individual and group policy, plan, or contract of accident and health insurance providing coverage of hospital or medical expenses, which in addition to covering the insured also provides coverage to the dependents of the insured, and which provides that coverage of a dependent child terminates upon attainment of a specified age, must also provide that attainment of that age does not terminate coverage while the dependent child is a full-time student in a college, university, or an area vocational technical institute accredited by the Minnesota department of education, except that coverage under the individual or group policy, plan, or contract need not be extended beyond age 23 for the full-time student.

This section applies to all policies, plans, and contracts issued by organizations licensed under chapters 62A, 62C, 62D, and 62H.

Sec. 28. Minnesota Statutes 1987 Supplement, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

No An individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D, providing coverage for more than one person may be issued or renewed in this state after August 1, 1983, unless the policy, plan, or contract covers that provides coverage to a Minnesota resident must cover adopted children of the insured, subscriber, or enrollee on the same basis as other dependents. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability,

eligibility, or health underwriting approval concerning adopted children.

The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement.

Sec. 29. Minnesota Statutes 1986, section 62A.46, subdivision 2, is amended to read:

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, and adult day care services, pursuant to the requirements of sections 62A.46 to ~~62A.56~~ 62A.58. A long-term care policy must contain a designation specifying whether the policy is a long-term care policy AA or A and a caption stating that the commissioner has established two categories of long-term care insurance and the minimum standards for each.

Sections 62A.46, 62A.48, and 62A.52 to ~~62A.56~~ 62A.58 do not apply to a long-term care policy issued to (a) 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 or (b) to a labor union or similar employee organization. The associations exempted from the requirements of sections 62A.31 to 62A.44 under 62A.31, subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to ~~62A.56~~ 62A.58 until July 1, 1988.

Sec. 30. Minnesota Statutes 1986, section 62A.46, subdivision 4, is amended to read:

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 or in an adult day care setting or by an adult day care facility 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 dietitian;
- (7) homemaker services, meal preparation, and similar nonmedical services;
- (8) medical social services; and
- (9) other similar medical services and health-related support services.

Sec. 31. Minnesota Statutes 1987 Supplement, section 62A.46, subdivision 11, is amended to read:

Subd. 11. [BENEFIT PERIOD.] "Benefit period" means one or more separate or combined periods of confinement covered by a long-term care policy in a nursing facility or at home while receiving home care services or while receiving services for adult day care. A benefit period begins on the first day the insured receives a benefit under the policy and ends when the insured has received no benefits for the same or related cause for an interval of 180 consecutive days.

Sec. 32. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 1, is amended to read:

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 62A.46 to ~~62A.56~~ 62A.58. 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 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency and an adult day care facility. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums, and a requirement of prior hospitalization for up to one day may be imposed only for long-term care in a nursing facility. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, nursing facility and home care coverages must not be subject to separate lifetime maximums, and a requirement of prior hospitalization for up to three days may be imposed for long-term care in a nursing facility or home care services. If long-term care policies require the policyholder to be admitted to a nursing facility or, begin home care services or the services of an adult day care

facility within a specified period after discharge from a hospital, that period may be no less than 30 days.

Coverage under either policy designation must cover preexisting 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. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to meet a prior hospitalization test more than once during a single benefit period. No policy may require the insured to be home-bound or house-confined to receive home care services or adult day care. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. 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.

The insurer's system of classification for figuring premium rates must be reasonably designed to avoid an unfair burden on any class of insureds, and to promote predictability of future premiums.

Sec. 33. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 2, is amended to read:

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 under a long-term care policy AA or the lesser of \$40 or actual charges under a long-term care policy A and the minimum benefit per visit for home care under a long-term care policy AA or A must be the lesser of \$25 or actual charges. The minimum daily benefit for adult day care under a long-term policy AA or A must be the lesser of \$25 or actual charge. The adult care benefit must cover seven days per week. The home care services benefit must cover at least seven paid visits per week.

Sec. 34. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 7, is amended to read:

Subd. 7. [EXISTING POLICIES.] Nothing in sections 62A.46 to ~~62A.56~~ 62A.58 prohibits the renewal of the following long-term policies:

(1) policies sold outside the state of Minnesota to persons who at the time of sale were not residents of the state of Minnesota;

(2) policies sold before August 1, 1986; and

(3) policies sold before July 1, 1988, by associations exempted from sections 62A.31 to 62A.44 under section 62A.31, subdivision 1a.

Sec. 35. Minnesota Statutes 1987 Supplement, section 62A.50, subdivision 3, is amended to read:

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 and the differences between this policy, a supplemental Medicare policy and the benefits to which an individual is entitled under parts A and B of Medicare and the differences between policy designations A and AA;

(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, OR ADULT DAY 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;

(7) the following language, in bold print: “NOT EVERYONE NEEDS LONG-TERM CARE INSURANCE. THERE IS A PROGRAM CALLED MEDICAL ASSISTANCE WHICH HELPS PAY FOR NURSING HOME CARE. OUR AGENTS ARE NOT QUALIFIED TO EXPLAIN MEDICAL ASSISTANCE ELIGIBILITY OR COVERAGE. FOR INFORMATION ON MEDICAL ASSISTANCE CALL YOUR LOCAL OLDER AMERICANS LEGAL SERVICES PROGRAM, YOUR LOCAL OFFICE OF OMBUDSMAN FOR OLDER MINNESOTANS, OR YOUR COUNTY HUMAN SERVICES DEPARTMENT.”;

(8) the following language, in bold print: “YOUR PREMIUMS CAN BE INCREASED IN THE FUTURE. WE DO NOT KNOW, TODAY, HOW MUCH YOUR PREMIUM WILL BE IN FUTURE YEARS. THE RATE SCHEDULE THAT LISTS YOUR PREMIUM NOW CAN CHANGE.”;

(9) the following language, if applicable, in bold print: “A SIGNIFICANT NUMBER OF PEOPLE ARE NOT HOSPITALIZED PRIOR TO ENTERING A NURSING HOME OR NEEDING HOME CARE, AND THEY WOULD NOT BE ABLE TO COLLECT ANY BENEFITS UNDER THIS PARTICULAR POLICY.”; and

(10) a signed and completed copy of the application for insurance is left with the applicant at the time the application is made.

Sec. 36. Minnesota Statutes 1986, section 62A.54, is amended to read:

62A.54. [PROHIBITED PRACTICES.]

Unless otherwise provided for in Laws 1986, chapter 397, sections 2 to 8, 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.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any inquiry regarding medical assistance or long-term care financing shall be answered with, and every oral marketing presentation must contain, the following statements: “There is a program called

medical assistance which helps pay for nursing home care. Our agents are (or I am) not qualified to advise you on medical assistance eligibility. For information on medical assistance you can call your local older Americans legal services program, your local office of ombudsman for older Minnesotans, or your county human services department."

Sec. 37. [62A.57] [POLICY REPLACEMENT.]

No insurer or agent shall replace a long-term care policy with another long-term care policy of the same category unless there is a substantial difference in cost favorable to the policyholder, or the insured has previously demonstrated a dissatisfaction with the service presently being received from the current insurer. An insurer or agent may replace an AA classification long-term care policy with an A classification long-term care policy only if the prospective insured signs an acknowledgment that it is understood that the prospective insured will receive fewer benefits under the new policy than under the policy presently in force.

Sec. 38. [62A.58] [RESTRICTIONS ON POLICY ISSUANCE.]

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a long-term care policy, as defined in sections 62A.46 and 62A.48, to a person who currently has one plan in effect. However, an agent may sell a replacement plan under section 62A.57 if the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. An application for long-term care insurance must require a listing of all long-term care insurance maintained by the applicant as of the date the application and the date the existing coverage expires.

Subd. 2. [REFUNDS.] An insurer that issues a long-term care plan to a person who has one plan then in effect, except as permitted in subdivision 1, shall, at the request of the insured, either refund the premiums or pay any claims on the policy, whichever is greater.

Subd. 3. [ACTION BY COMMISSIONER.] If the commissioner determines after an investigation that an insurer has issued a long-term care plan to a person who already has one plan, except as permitted in subdivision 1, the commissioner shall notify the insurer in writing of the determination. If the insurer after notification fails to take reasonable action to prevent overselling, the commissioner may, in the manner prescribed in chapter 45, revoke or suspend the insurer's authority to sell accident and health insurance in the state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 39. Minnesota Statutes 1986, section 62B.02, subdivision 6, is amended to read:

Subd. 6. "Indebtedness" means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction.

"Indebtedness" for purposes of credit life insurance means the original principal amount of the loan or credit transaction including interest earned or precomputed. For contracts payable in installments, indebtedness means the original principal amount payable or scheduled to be paid determined on the actuarial basis.

Sec. 40. Minnesota Statutes 1987 Supplement, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) hospital services;
- (2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;
- (3) drugs requiring a physician's prescription;
- (4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under Medicare;
- (5) services of a home health agency if the services would qualify as reimbursable services under Medicare;

(6) use of radium or other radioactive materials;

(7) oxygen;

(8) anesthetics;

(9) prostheses other than dental but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;

(10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) diagnostic X-rays and laboratory tests;

(12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) services of a physical therapist;

(14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and

(15) services of an occupational therapist.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare or any other governmental program except as otherwise provided by law section 62A.04, subdivision 3, clause (3);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2.

Sec. 41. [65A.061] [CREDITORS LIMITED TO EXISTING INSURANCE.]

Notwithstanding any other law to the contrary, when a creditor requires the obligors to provide insurance on real or personal property security against reasonable risks of loss, damage, or destruction, no insurance shall be sold or placed by or through the creditor if the obligor provides the creditor with a loss payable through existing policies of insurance that the obligor owns or controls unless the existing insurance is in an amount less than the

amount of indebtedness to be secured of the real or personal property.

Sec. 42. Minnesota Statutes 1986, section 65A.08, is amended by adding a subdivision to read:

Subd. 7. [APPLICATION.] This section applies to homeowner's insurance and mobile home insurance policies.

Sec. 43. Minnesota Statutes 1986, section 65A.11, is amended to read:

65A.11 [PAYMENT TO MORTGAGEE.]

When the whole, or any part, of the loss is payable, in terms or otherwise, to or for one or more mortgagees, upon proof before payment of the rights of the parties, the company shall pay the same in the order of priority to the extent of its liability and every such payment to such extent shall be payment and satisfaction of its liability under the policy.

For purposes of this section, (1) "mortgagee" includes a trustee or a seller under a contract of sale agreement; and (2) "mortgage" includes a contract of sale.

Sec. 44. Minnesota Statutes 1986, section 65A.33, subdivision 3, is amended to read:

Subd. 3. "Property or liability insurance" means the coverage against direct loss to real or tangible personal property at a fixed location that is provided in the standard fire policy, extended coverage endorsement, homeowners insurance, as defined in section 65A.27, subdivision 4, cooperative housing insurance, condominium insurance, builders risk, and such vandalism and malicious mischief insurance and such other classes of insurance as may be added to the program with respect to said property by amendment as hereinafter provided. Property or liability insurance does not include automobile, ~~farm~~, commercial liability, or such manufacturing risks as may be excluded by the commissioner.

Sec. 45. Minnesota Statutes 1987 Supplement, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. Nonpayment of premium; or

2. The policy was obtained through a material misrepresentation;
or

3. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or

4. The named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or

5. The named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or

6. The named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured, or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or

7. The named insured or any other operator who either resides in the same household, ~~unless the other operator is identified by name in any other policy as an insured~~; or customarily operates an automobile insured under such policy, unless the other operator is identified by name in another policy as an insured:

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of

cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license.

8. The insured automobile is:

(1) so mechanically defective that its operation might endanger public safety; or

(2) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation; or

(3) used in the business of transportation of flammables or explosives; or

(4) an authorized emergency vehicle; or

(5) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(6) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 46. Minnesota Statutes 1986, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$250 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$250 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in

available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced by the income received while the injured person is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, to obtain medical treatment for an injury arising out of the maintenance or use of a motor vehicle.

Sec. 47. Minnesota Statutes 1987 Supplement, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. [RENTAL VEHICLES.] (a) ~~No~~ Every plan of reparation security may be issued or renewed after August 1, 1987, unless the plan provides that all coverages under the plan are extended to any motor vehicle while being rented by the named insured. The plan insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3 must also provide that all or any part of the obligation of the named insured for property damage and loss of use to a rented vehicle would be covered by the collision or comprehensive portion of the plan. The plan must provide that any deductible will not apply to claims that arise while a motor vehicle is being rented by a named insured property damage liability portion of the plan. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$25,000, the coverage available under the subdivision must be \$25,000. Other than as described in this paragraph, nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in section 65B.49.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period ~~or the~~ vehicle is rented principally for business purposes.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the

insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), claims must be made against the plan covering the motor vehicle most often driven by the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, ~~1988~~ 1989. The notice must be approved by the commissioner of commerce. ~~The commissioner may specify the form of the notice. A form approved by the commissioner must be reasonably calculated to put the insured on notice of the coverage.~~

(f) When a motor vehicle is rented or leased in this state on a weekly or daily basis, the rental contract must contain a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of a this motor vehicle unless the rental is principally for business use or rented on a monthly or longer basis against damage to the vehicle and against loss of use of the vehicle. Therefore, purchase of any collision damage waiver or other similar insurance affected in this rental contract may is not be necessary if your policy was issued in Minnesota.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

Sec. 48. Minnesota Statutes 1987 Supplement, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other

constitutionally allowable device, provide for the mandatory submission to binding arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage.

Sec. 49. Minnesota Statutes 1987 Supplement, section 72A.125, is amended by adding a subdivision to read:

Subd. 3. [COLLISION DAMAGE WAIVER.] A "collision damage waiver" is a discharge of the responsibility of the renter or leasee to return the motor vehicle in the same condition as when it was first rented. The waiver is a full and complete discharge of the responsibility to return the vehicle in the same condition as when it was first rented. The waiver may not contain any exclusions.

Sec. 50. Minnesota Statutes 1987 Supplement, section 72A.20, subdivision 15, is amended to read:

Subd. 15. [PRACTICES NOT HELD TO BE DISCRIMINATION OR REBATES.] Nothing in subdivision 8, 9, or 10, or in section 72A.12, subdivisions 3 and 4, shall be construed as including within the definition of discrimination or rebates any of the following practices:

- (1) in the case of any contract of life insurance or annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders;
- (2) in the case of life insurance policies issued on the industrial debit plan, making allowance, to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer, in an amount which fairly represents the saving in collection expense;
- (3) readjustment of the rate of premium for a group insurance policy based on the loss or expense experienced thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;
- (4) in the case of an individual or group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer, provided that each insurer shall on or before August 1 of each year file with the commissioner summary data regarding the financial reimbursement offered to providers so designated.

Any insurer which proposes to offer an arrangement authorized under this clause shall disclose prior to its initial offering and on or before August 1 of each year thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, the following information:

(a) the name which the arrangement intends to use and its business address;

(b) the name, address, and nature of any separate organization which administers the arrangement on the behalf of the insurers; and

(c) the names and addresses of all providers designated by the insurer under this clause and the terms of the agreements with designated health care providers.

The commissioner shall maintain a record of arrangements proposed under this clause, including a record of any complaints submitted relative to the arrangements.

If the commissioner requests copies of contracts with provider under this clause, all information contained in the contracts whose release the commissioner determines may place the provider at a competitive disadvantage is nonpublic data.

Sec. 51. Minnesota Statutes 1987 Supplement, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS.] (a) ~~Refusing, upon surrender of an individual policy of life insurance, to refund to the estate of the insured all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.~~

~~The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.~~

~~For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss. Refusing, upon surrender of an individual policy of life insurance, to refund to the owner all unearned premiums paid on the policy.~~

(b) Refusing, upon termination or cancellation of a policy of automobile insurance under section 65B.14, subdivision 2, or a policy of homeowner's insurance under section 65A.27, subdivision 4, or a policy of accident and sickness insurance under section 62A.01, or a policy of comprehensive health insurance under chapter 62E, to refund to the insured all unearned premiums paid on the

policy covering the insured as of the time of the termination or cancellation if the unearned premium is for a period of more than one month.

The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.

For purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss. Except for premiums for motorcycle coverage, the unearned premium is determined by multiplying the premium by the fraction that results from dividing the period of time the policy has been in force by the period of time for which the premium was paid.

Sec. 52. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 20. No insurance company doing business in this state shall engage in any selection or underwriting practice which is arbitrary, capricious, or unfairly discriminatory.

Sec. 53. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 21. [NOTICE OF NONRENEWAL.] No insurer shall fail to renew an individual life or health policy or nonprofit health service plan subscriber contract for nonpayment of premium unless it mails or delivers to the named insured, at the address shown on the policy or subscriber contract at least ten business days before lapse, final notice to pay the premium due for the specified period of coverage.

Proof of mailing of the notice of lapse for failure to pay the premium before the expiration of the grace period is sufficient proof that notice required in this subdivision has been given.

Sec. 54. Minnesota Statutes 1986, section 72A.20, is amended by adding a subdivision to read:

Subd. 22. [DISCRIMINATION IN AUTOMOBILE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state may use unemployment as a basis for denial of coverage.

(b) No insurer that offers an automobile policy in this state may deny coverage based on the failure to have an automobile policy in force during the two years prior to the application.

Sec. 55. Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 4, is amended to read:

Subd. 4. [STANDARDS FOR CLAIM FILING AND HANDLING.]
The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) except for claims made under a health insurance policy, after receiving notification of claim from an insured or a claimant, failing to acknowledge receipt of the notification of the claim within ten business days, and failing to promptly provide all necessary claim forms and instructions to process the claim, unless the claim is settled within ten business days. The acknowledgment must include the telephone number of the company representative who can assist the insured or the claimant in providing information and assistance that is reasonable so that the insured or claimant can comply with the policy conditions and the insurer's reasonable requirements. If an acknowledgment is made by means other than writing, an appropriate notation of the acknowledgment must be made in the claim file of the insurer and dated. An appropriate notation must include at least the following information where the acknowledgment is by telephone or oral contact:

(i) the telephone number called, if any;

(ii) the name of the person making the telephone call or oral contact;

(iii) the name of the person who actually received the telephone call or oral contact;

(iv) the time of the telephone call or oral contact; and

(v) the date of the telephone call or oral contact;

(2) failing to reply, within ten business days of receipt, to all other communications about a claim from an insured or a claimant that reasonably indicate a response is requested or needed;

(3) unless provided otherwise by law or in the policy, failing to complete its investigation and inform the insured or claimant of acceptance or denial of a claim within 30 business days after receipt of notification of claim unless the investigation cannot be reasonably completed within that time. In the event that the investigation cannot reasonably be completed within that time, the insurer shall notify the insured or claimant within the time period of the reasons why the investigation is not complete and the expected date the investigation will be complete. For claims made under a health policy the notification of claim must be in writing;

(4) where evidence of suspected fraud is present, the requirement to disclose their reasons for failure to complete the investigation within the time period set forth in clause (3) need not be specific.

The insurer must make this evidence available to the department of commerce if requested;

(5) failing to notify an insured who has made a notification of claim of all available benefits or coverages which the insured may be eligible to receive under the terms of a policy and of the documentation which the insured must supply in order to ascertain eligibility;

(6) unless otherwise provided by law or in the policy, requiring an insured to give written notice of loss or proof of loss within a specified time, and thereafter seeking to relieve the insurer of its obligations if the time limit is not complied with, unless the failure to comply with the time limit prejudices the insurer's rights and then only if the insurer gave prior notice to the insured of the potential prejudice;

(7) advising an insured or a claimant not to obtain the services of an attorney or an adjuster, or representing that payment will be delayed if an attorney or an adjuster is retained by the insured or the claimant;

(8) failing to advise in writing an insured or claimant who has filed a notification of claim known to be unresolved, and who has not retained an attorney, of the expiration of a statute of limitations at least 60 days prior to that expiration. For the purposes of this clause, any claim on which the insurer has received no communication from the insured or claimant for a period of two years preceding the expiration of the applicable statute of limitations shall not be considered to be known to be unresolved and notice need not be sent pursuant to this clause;

(9) demanding information which would not affect the settlement of the claim;

(10) unless expressly permitted by law or the policy, refusing to settle a claim of an insured on the basis that the responsibility should be assumed by others;

(11) failing, within 60 business days after receipt of a properly executed proof of loss, to advise the insured of the acceptance or denial of the claim by the insurer. No insurer shall deny a claim on the grounds of a specific policy provision, condition, or exclusion unless reference to the provision, condition, or exclusion is included in the denial. The denial must be given to the insured in writing with a copy filed in the claim file;

(12) denying or reducing a claim on the basis of an application which was altered or falsified by the agent or insurer without the knowledge of the insured;

(13) failing to notify the insured of the existence of the additional living expense coverage when an insured under a homeowners policy sustains a loss by reason of a covered occurrence and the damage to the dwelling is such that it is not habitable;

(14) failing to inform an insured or a claimant that the insurer will pay for an estimate of repair if the insurer requested the estimate and the insured or claimant had previously submitted two estimates of repair; and

(15) failing to inform an insured or claimant of all coverages and the dollar amount of all coverages under the insured's insurance policy or policies when that information is requested by the claimant or insured.

Sec. 56. Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 5, is amended to read:

Subd. 5. [STANDARDS FOR FAIR SETTLEMENT OFFERS AND AGREEMENTS.] The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

(1) making any partial or final payment, settlement, or offer of settlement, which does not include an explanation of what the payment, settlement, or offer of settlement is for;

(2) making an offer to an insured of partial or total settlement of one part of a claim contingent upon agreement to settle another part of the claim;

(3) refusing to pay one or more elements of a claim by an insured for which there is no good faith dispute;

(4) threatening cancellation, rescission, or nonrenewal of a policy as an inducement to settlement of a claim;

(5) notwithstanding any inconsistent provision of section 65A.01, subdivision 3, failing to issue payment for any amount finally agreed upon in settlement of all or part of any claim within five business days from the receipt of the agreement by the insurer or from the date of the performance by the claimant of any conditions set by such agreement, whichever is later;

(6) failing to inform the insured of the policy provision or provisions under which payment is made;

(7) settling or attempting to settle a claim or part of a claim with an insured under actual cash value provisions for less than the value of the property immediately preceding the loss, including all appli-

cable taxes and license fees. In no case may an insurer be required to pay an amount greater than the amount of insurance;

(8) except where limited by policy provisions, settling or offering to settle a claim or part of a claim with an insured under replacement value provisions for less than the sum necessary to replace the damaged item with one of like kind and quality, including all applicable taxes, license, and transfer fees;

(9) reducing or attempting to reduce for depreciation any settlement or any offer of settlement for items not adversely affected by age, use, or obsolescence;

(10) reducing or attempting to reduce for betterment any settlement or any offer of settlement unless the resale value of the item has increased over the preloss value by the repair of the damage.

Sec. 57. [72A.205] [PROHIBITED PROVISIONS AND COVERAGES.]

No policy of insurance paying a death benefit that returns premiums or premiums plus interest in lieu of benefits may be issued in this state.

Sec. 58. [72A.33] [HEALTH CLAIMS; RIGHT OF APPEAL.]

An insured whose claim for health benefits is denied because the treatment or services for which the claim is made is claimed to be experimental, not medically necessary, or otherwise not generally accepted by the medical profession may appeal the denial to the commissioner.

The commissioner shall designate a staff member to review the denial of the claim and report to the commissioner. The party that denied the coverage has the burden of proving that the services or treatment are in fact experimental or not generally accepted by the medical profession. If the party fails to sustain its burden, the commissioner shall order the immediate payment of the claim. A decision under this provision may be appealed under chapter 14.

If the commissioner finds that the party has failed to sustain its burden of proof, each denial of similar claims on the basis of the experimental nature, lack of medical necessity, or lack of general acceptance of the treatment or services that occurs after the commissioner's decision is an unfair trade practice under sections 72A.17 to 72A.32.

If prior authorization is required before services or treatment can be rendered, then appeal of the denial of prior authorization may be made as provided in this section.

Sec. 59. [72B.135] [PUBLIC ADJUSTERS.]

Subdivision 1. [HOMEOWNER'S RIGHT TO CANCEL.] A homeowner who has entered into a contract with a public adjuster involving the business for which the person was licensed, has the right to cancel the contract within 48 hours after the contract has been signed. Cancellation is evidenced by the homeowner giving written notice of cancellation to the public adjuster at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox, properly addressed to the public adjuster and postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the homeowner not to be bound by the contract.

Subd. 2. [WRITING REQUIRED; NOTICE OF RIGHT TO CANCEL; NOTICE OF CANCELLATION.] (a) Before entering a contract referred to in subdivision 1, the public adjuster must:

(1) furnish the homeowner with a statement in bold face type of a minimum size of ten points, in substantially the following form:

"You, the homeowner, may cancel this contract at any time within 48 hours after the contract has been signed between the homeowner and the public adjuster. See attached notice of cancellation form for an explanation of this right."; and

(2) furnish each homeowner, a fully completed form in duplicate, captioned, "NOTICE OF CANCELLATION," which shall be attached to the contract and easily detachable, and which shall contain in bold face type of a minimum size of ten points the following information and statements:

"NOTICE OF CANCELLATION

.....

(enter date of contract)

If you do not want to go forward with the contract with the public adjuster, you may cancel the contract by mailing or delivering a

signed and dated copy of this cancellation notice or any other written notice, or send a telegram to (Name of Public Adjuster), at (Address of Public Adjuster's Place of Business) not later than midnight of (Date). If you cancel, any payments made by you under the contract will be returned within ten business days following receipt by the public adjuster of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION.

.....

(date)

.....

(Homeowner's signature)"

Subd. 3. [RETURN OF PAYMENTS; COMPENSATION.] Within ten days after a contract referred to in subdivision 1 has been canceled, the public adjuster must tender to the homeowner any payments made by the homeowner and any note or other evidence of indebtedness. However, if the public adjuster has performed any emergency services within the 48 hour period, the public adjuster is entitled to compensation for such services. Emergency services shall mean the removal of water, boarding up a building, and reconnecting lights and heat.

Sec. 60. Minnesota Statutes 1986, section 359.03, is amended to read:

359.03 [SEAL; REGISTER.]

Subdivision 1. Every notary shall get an official seal, with which to authenticate official acts, and upon which shall be engraved the arms of this state, the words "notarial seal," and the name of the county for which appointed. ~~Such~~ The seal, with the notary's official register, shall be is exempt from execution, and, on death or removal from office, such register shall be deposited with the court administrator of the district court of the notary's county.

Subd. 2. All instruments heretofore duly made and executed before the effective date of this subdivision which have been acknowledged before a notary public as provided by law, but the seal used ~~thereon~~ has engraved on it "notary public," are hereby validated and legalized, and in case ~~such~~ the instruments are recorded, the recording is hereby validated and legalized, and all such instruments are validated to the same extent as though properly sealed at the time of their acknowledgment. This subdivision shall does not affect any action now pending in any of the courts of this state.

Subd. 3. The seal of every notary public after January 1, 1972, may be affixed by a stamp that will print a seal which legibly reproduces under photographic methods the seal of the state of Minnesota, the name of the notary, and the words "Notary Public;" the name of the county for which appointed, and the words "My commission expires," with the expiration date shown thereon. The seal shall must be a rectangular form of not more than three-fourths of an inch vertically by 2½ inches horizontally, with a serrated or milled edge border, and shall must contain the information required by this subdivision.

Sec. 61. Minnesota Statutes 1986, section 359.05, is amended to read:

359.05 [DATE OF EXPIRATION OF COMMISSION AND NAME TO BE ENDORSED.]

Each notary public so appointed, commissioned, and qualified, shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments in writing, and to receive, make out, and record notarial protests.

Every notary public, except in cases provided in section 359.03, subdivision 3, taking an acknowledgment of an instrument, taking a deposition, administering an oath, or making a notarial protest, shall, immediately following the notary's signature to the jurat or certificate of acknowledgment, endorse the date of the expiration of the commission; such endorsement may be legibly written, stamped, or printed upon the instrument, but must be disconnected from the seal, and shall be substantially in the following form: "My commission expires, 19" Except in cases provided in section 359.03, subdivision 3, every notary public, in addition to signing the jurat or certificate of acknowledgment, shall, immediately following the signature and immediately preceding the official description, endorse thereon the notary's name with a typewriter or print the same legibly with a stamp or with pen and ink; provided that the failure so to endorse or print the name shall not invalidate any jurat or certificate of acknowledgment.

Sec. 62. [COMMERCE DEPARTMENT REPORT.]

Subdivision 1. [REPORT.] The commerce department shall conduct a study and report to the legislature by January 1, 1989, as to the cost of providing water damage coverage, defined in subdivision 2, on all homeowner's policies. Any insurers doing business in the state of Minnesota must provide such information that the commissioner determines is necessary to conduct this study. The report

shall also explore the cost of other methods of providing water damage coverage.

Subd. 2. [WATER DAMAGE.] "Water damage" means:

(1) flood, waves, overflow of a body of water, or spray from any of these, that results from a rainstorm event and that enters the insured's dwelling while still on the surface of the ground; or

(2) water that backs up through sewers or drains or overflows within a sump pump or other type of system designed to remove water from around a foundation.

Water damage does not include losses that are the direct result of the negligence of the insured.

Sec. 63. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall change the long-term care policy references "sections 62A.46 to 62A.56" to "sections 62A.46 to 62A.58" wherever they appear in Minnesota Statutes to reflect the additional provisions added by this act.

Sec. 64. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of this act remain valid.

Sec. 65. [REPEALER.]

(a) Minnesota Statutes 1986, sections 359.061, 359.07, and 359.071; and Minnesota Statutes 1987 Supplement, section 60A.23, subdivision 7, are repealed.

(b) Minnesota Rules, part 2725.0240, is repealed.

Sec. 66. [EFFECTIVE DATE CLARIFICATION.]

Laws 1987, chapter 337, sections 27, 28, 29, and 30, effective August 1, 1987, apply to delinquency proceedings commencing on or after August 1, 1987.

Sec. 67. [EFFECTIVE DATES.]

(a) Sections 1, 2, and 46, are effective the day following final enactment. (b) Section 28 is effective the day following final enactment and applies to: (1) policies in effect on that date; and (2) policies issued or renewed on or after that date. For purposes of

determining the severability of this paragraph, clauses (1) and (2) are separate provisions of law. (c) Section 34 is effective July 1, 1988. (d) Section 22 is effective August 1, 1988, and applies to policies issued or renewed after that date. (e) Sections 5 and 47 are effective January 1, 1989, and apply to policies issued or renewed after that date."

Delete the title and insert:

"A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies; homeowners policies; no-fault auto policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; providing for the liability of resident agents and others in certain circumstances; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating notaries public; regulating unfair settlement practices; requiring disclosure of coverage; requiring a water damage coverage cost report; amending Minnesota Statutes 1986, sections 60A.02, by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivision 10; 60A.1701, subdivisions 1 and 9; 60A.198, subdivision 1; 60A.205, by adding a subdivision; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62A.54; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.17, subdivision 12; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11; 62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding a subdivision; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 4 and 5; proposing coding for new law in Minnesota Statutes, chapters 62A; 65A; 72A; and 72B; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and Minnesota Rules, part 2725.0240."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1941, A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1948, A bill for an act relating to labor; providing comparable worth compensation for certain employees in semi-independent living service, developmental achievement center, and intermediate care facility for the mentally retarded programs; authorizing a study; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [COMPARABLE WORTH STUDY.]

The commissioner of the department of employee relations shall conduct or contract for a job evaluation study to determine the comparable worth value of direct care staff positions in intermediate care facilities for the mentally retarded, waived residential services, semi-independent living service programs, and developmental achievement centers that are licensed by the department of human services or by a county.

The study shall be completed by January 1, 1989.

Sec. 2. [SCOPE.]

The study shall consider the wages and benefits paid to employees in the settings described in section 1, as compared to those paid in the public, private, and educational sectors. The report should make

recommendations to the legislature on disparity of wages and benefits and recommend for consideration by the legislature possible methods for movement towards comparable worth wages and benefits by both the state and counties.

Sec. 3. [APPROPRIATIONS.]

\$ is appropriated from the general fund to the commissioner of employee relations for the purpose of the study specified in section 1.

Delete the title and insert:

“A bill for an act relating to labor; providing comparable worth compensation for certain employees in day activities centers, semi-independent living services, waived residential services, and intermediate care facilities for the mentally retarded; authorizing a study; appropriating money.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1952, A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 14, delete the new language and strike “for the purpose of”

Page 1, strike line 15

Page 1, line 16, strike “peanuts, cookies, or gum” and insert “and trunk highways”

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1962, A bill for an act relating to commerce; prohibiting exclusion or modification of implied warranties of fitness and merchantability by sellers and installers of home heating systems; prohibiting limitation of damages or remedies for breach of an implied warranty in a contract for sale or installation of a home heating system; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after the period and insert "A provision in a contract for the sale or installation of a home heating system that excludes or modifies implied warranties or that limits damages for breach of those warranties is unenforceable. Any such provision in the contract must be accompanied by an express statement that the provision does not apply in Minnesota."

Page 1, delete lines 18 to 22

Page 1, line 23, delete everything before "The"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1978, A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, ~~crow~~, starling, magpie, cormorant, common pigeon, and great horned owl.

Sec. 2. Minnesota Statutes 1986, section 97B.711, is amended by adding a subdivision to read:

Subd. 3. [CROW SEASON.] The commissioner shall set a crow season of 124 days each year. The remainder of the year crows may be taken if doing damage or about to do so.

Delete the title and insert:

“A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1980, A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

“Sec. 2. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:

Route No. 254. Beginning at a point on Route No. 391 easterly of Blue Earth, thence extending in a general southerly direction to a point in or adjacent to Frost.

Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for Route No. 254 as contained and described in Minnesota Statutes 1986, section 161.115. Route No. 254 as contained and described in that section is discontinued and removed from the trunk highway system when an agreement to transfer jurisdiction of a portion of the old route has been signed by the commissioner of transportation and Faribault county and filed in the office of the commissioner.

Subd. 3. [DIRECTIONS TO REVISOR.] The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route

discontinued and removed from the trunk highway system according to subdivision 2.

Sec. 3. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 231.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 231 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.

Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 231 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation and the city of Moorhead, and a copy of the agreement, signed by the commissioner and the presiding officer of the Moorhead city council, has been filed in the office of the commissioner.

Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.

Sec. 4. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 296.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 296 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.

Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 296 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation, the city of Rochester, and Olmsted county and a copy of the agreement, signed by the commissioner, the presiding officer of the Rochester city council, and chair of the Olmsted county board has been filed in the office of the commissioner.

Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "adding, deleting, and substituting routes on the trunk highway system;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1986, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1993, A bill for an act relating to education; requiring a state board of education rule on elementary school preparation time.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1995, A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2008, A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Reported the same back with the following amendments:

Page 2, line 29, after the period, insert "The agreement must also state that, except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2."

Page 3, line 8, delete "Except for an"

Page 3, delete line 9

Page 3, line 10, delete "in section 10A.25, but not exceeding \$15,000."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2037, A bill for an act relating to human services; implementing minority child heritage protection act; requiring minority councils to review placement data; requiring rule revision; planning for permanency; improving recruitment of minority adoptive and foster care families; designating recruitment specialist; requiring out-of-home placement reports; creating task force; requiring training of adoption and foster care families and workers; providing grants for support services; expanding definition of "relative" for purposes of placement priority; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256F.03, subdivision 8; 257.071, subdivisions 2, 3, and by adding a subdivision; 257.072; and 260.015, subdivision 13; Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6; proposing coding for new law in

Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 257.071, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6, is amended to read:

Subd. 6. [DUTIES.] The primary duties of the council shall be to:

(1) clarify for the legislature and state agencies the nature of tribal governments, the relationship of tribal governments to the Indian people of Minnesota;

(2) assist the secretary of state in establishing an election of at large members of the council;

(3) make recommendations to members of the legislature on desired and needed legislation for the benefit of the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian community;

(4) provide, through the elected apparatus of the council, an effective conduit for programs, proposals, and projects to the legislature submitted by tribal governments, organizations, committees, groups, or individuals;

(5) provide a continuing dialogue with members of the appropriate tribal governments in order to improve their knowledge of the legislative process, state agencies, and governmental due process;

(6) assist in establishing Indian advisory councils in cooperation with state agencies delivering services to the Indian community;

(7) assist state agencies in defining what groups, organizations, committees, councils, or individuals are eligible for delivery of their respective services;

(8) assist in providing resources, tribal and other, in the delivery of services to the statewide Indian community;

(9) act as a liaison between local, state, and national units of government in the delivery of services to the Indian population of Minnesota;

(10) assist state agencies in the implementation and updating of studies of services delivered to the Indian community;

(11) provide, for the benefit of all levels of state government, a continuing liaison between those governmental bodies and duly elected tribal governments and officials;

(12) interreact with private organizations involved with Indian concerns in the development and implementation of programs designed to assist Indian people, insofar as they affect state agencies and departments;

(13) act as an intermediary, when requested and if necessary between Indian interests and state agencies and departments when questions, problems, or conflicts exist or arise;

(14) provide information for and direction to a program designed to assist Indian citizens to assume all the rights, privileges, and duties of citizenship, and to coordinate and cooperate with local, state, and national private agencies providing services to the Indian people;

(15) develop educational programs, community organization programs, leadership development programs, motivational programs, and business development programs for the benefit of Indian persons who have been, are, or will be subject to prejudice and discrimination; and

(16) cooperate and consult with appropriate commissioners and agencies to develop plans and programs to most effectively serve the needs of Indians; and

(17) review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Indian children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter.

Sec. 2. Minnesota Statutes 1986, section 3.9223, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues and disabilities confronting Spanish-speaking people in this state including the unique problems encountered by Spanish-speaking migrant agricultural workers;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Spanish-speaking people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Spanish-speaking people in this state;

(d) Serve as a conduit to state government for organizations of Spanish-speaking people in the state;

(e) Serve as a referral agency to assist Spanish-speaking people in securing access to state agencies and programs;

(f) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Spanish-speaking people of this state;

(g) Perform or contract for the performance of studies designed to suggest solutions to problems of Spanish-speaking people in the areas of education, employment, human rights, health, housing, social welfare and other related programs;

(h) Implement programs designed to solve problems of Spanish-speaking people when so authorized by other statute, rule or order;

(i) Review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for the children of Hispanic people. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter; and

(j) Publicize the accomplishments of Spanish-speaking people and the contributions made by them to this state.

Sec. 3. Minnesota Statutes 1986, section 3.9225, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues confronting Black people in this state;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Black people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature any revisions in the state's affirmative action program and any other steps that are necessary to eliminate underutilization of Blacks in the state's work force;

(d) Recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Black people in this state;

(e) Serve as a conduit to state government for organizations of Black people in the state;

(f) Serve as a referral agency to assist Black people in securing access to state agencies and programs;

(g) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Black people of this state;

(h) Perform or contract for the performance of studies designed to suggest solutions to problems of Black people in the areas of education, employment, human rights, health, housing, social welfare and other related areas;

(i) Implement programs designed to solve problems of Black people when so authorized by other statute, rule or order; and

(j) Review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Black children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter; and

(k) Publicize the accomplishments of Black people and the contributions made by them to this state.

Sec. 4. Minnesota Statutes 1986, section 3.9226, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure Asian-Pacific people access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation

designed to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people in securing access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community; and

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and

(14) review data provided by the commissioner of human services under section 10, subdivision 5, and present recommendations on the out-of-home placement rate for Asian-Pacific children. Recommendations must be presented to the commissioner and the legislature by November 1, 1989, and by November 1 of each year thereafter.

Sec. 5. Minnesota Statutes 1986, section 256F.03, subdivision 8, is amended to read:

Subd. 8. [PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.] "Placement prevention and family reunification services" means a continuum of services designed to help

children remain with their families or to facilitate reunification of children with their parents. Placement prevention and family reunification services available to a minority family must reflect and support family models that are accepted within the culture of the particular minority.

Sec. 6. [257.066] [RULES.]

By December 31, 1988, the commissioner of human services shall revise Minnesota Rules, parts 9545.0750 to 9545.0830 and parts 9560.0500 to 9560.0670, the rules for licensing child-placing agencies. The commissioner shall ensure that, as conditions of licensure, each child-placing agency meet the requirements of section 10, subdivisions 7 and 8; and keep records in compliance with sections 257.01 and 259.46.

Sec. 7. Minnesota Statutes 1986, section 257.071, subdivision 2, is amended to read:

Subd. 2. [SIX MONTH REVIEW OF PLACEMENTS.] There shall be an administrative review of the case plan of each child placed in a residential facility no later than 180 days after the initial placement of the child in a residential facility and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The case plan must be monitored and updated at each administrative review. As an alternative to the administrative review, the social service agency responsible for the placement may bring a petition as provided in section 260.131, subdivision 1a, to the court for review of the foster care to determine if placement is in the best interests of the child. This petition must be brought to the court within the applicable six months and is not in lieu of the requirements contained in subdivision 3 or 4.

Sec. 8. Minnesota Statutes 1986, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivision 4, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within 18 months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, subdivision 1a, to determine if the placement is in the best interests of the child.

The case plan must be updated when a petition is filed and must include a specific plan for permanency.

Sec. 9. Minnesota Statutes 1986, section 257.071, is amended by adding a subdivision to read:

Subd. 7. [RULES.] By December 31, 1988, the commissioner shall revise Minnesota Rules, parts 9545.0010 to 9545.0269, the rules setting standards for family and group family foster care. The commissioner shall:

(1) require that, as a condition of licensure, foster care providers attend training on the importance of protecting cultural heritage within the meaning of Laws 1983, chapter 278; the Indian Child Welfare Act, Public Law Number 95-608; and the Minnesota Indian Family Preservation Act, sections 257.35 to 257.357; and

(2) review and, where necessary, revise foster care rules to reflect sensitivity to cultural diversity and differing lifestyles. Specifically, the commissioner shall examine whether space and other requirements discriminate against single-parent, minority, or low-income families who may be able to provide quality foster care reflecting the values of their own respective cultures.

Sec. 10. Minnesota Statutes 1986, section 257.072, is amended to read:

257.072 [RECRUITMENT OF FOSTER FAMILIES WELFARE OF MINORITY CHILDREN.]

Subdivision 1. [RECRUITMENT OF FOSTER FAMILIES.] Each authorized child placing agency shall make special efforts to recruit a foster family from among the child's relatives, except as authorized in section 260.181, subdivision 3, and among families of the same minority racial or minority ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities, and increasing the number of minority recruitment staff employed by the agency. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Subd. 2. [MINORITY RECRUITMENT SPECIALIST.] The commissioner of human services shall designate a permanent professional staff position for a minority recruitment specialist in the department of human services. The minority recruitment specialist shall provide services to child-placing agencies seeking to recruit minority adoptive and foster care families and qualified minority professional staff. The minority recruitment specialist shall:

- (1) develop materials for use by the agencies in training staff;
- (2) conduct in-service workshops for agency personnel; and
- (3) provide consultation, technical assistance, and other appropriate services to agencies wishing to improve service delivery to minority populations.

Upon recommendation of the minority recruitment specialist, the commissioner may contract for portions of these services.

Subd. 3. [RECRUITMENT; DUTIES OF COMMISSIONER.] The commissioner of human services shall:

(1) at least once each year, convene a statewide meeting of foster care and adoption recruiters. The meeting must include at least one workshop where techniques for recruiting minority families are analyzed for their effectiveness;

(2) in cooperation with child-placing agencies, develop a cost-effective campaign using radio and television to recruit minority adoptive and foster families; and

(3) require that agency staff people who work in the area of minority adoption and foster family recruitment have at least 24 hours of cultural sensitivity training during their first year, followed by at least 12 hours of cultural sensitivity training in each subsequent year.

Subd. 4. [OVERSIGHT.] The commissioner of human services shall:

(1) monitor the recordkeeping, licensing, placement preference, recruitment, review, and reporting requirements of the minority child heritage protection act, Laws 1983, chapter 278; and

(2) review and, where necessary, revise the department of human services Social Service Manual and Practice Guide to reflect the scope and intent of Laws 1983, chapter 278.

Subd. 5. [MINORITY PLACEMENTS.] On a quarterly basis, the commissioner shall provide to the Indian Affairs Council, the Council on Affairs of Spanish-Speaking People, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans the following summary data for all children from the Indian, Hispanic, Black, and Asian-Pacific cultures, respectively, who are in out-of-home placement: legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, and number of families from the child's own culture in the placement pool during

the period for which data is provided. The commissioner shall provide the required data for children who entered placement during the previous quarter and for children who are in placement at the end of the quarter. The commissioner shall provide data for children placed by an authorized child-placing agency and shall provide the data within 60 days of the end of the quarter for which the data are applicable.

Subd. 6. [ADVISORY TASK FORCE.] The commissioner of human services shall appoint an advisory task force on minority child welfare. The task force shall advise the commissioner on issues related to minority child welfare, including, but not limited to, adoption and foster care, the use of citizen review boards, infant mortality in minority communities, and placement prevention. Members of the task force shall include at least one representative from each council established under sections 3.922, 3.9223, 3.9225, and 3.9226; minority adoptive and foster parents; agency personnel working with minority children in placement or at risk of placement; and interested citizens. A majority of members must be minority adoptive or foster parents of minority children. The task force shall not expire but is otherwise governed by section 15.059.

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives; and

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children.

Subd. 8. [REPORTING REQUIREMENTS.] Each authorized child-placing agency shall provide on a quarterly basis the following summary data to the commissioner of human services for children from the Indian, Hispanic, Black, and Asian-Pacific cultures who

were placed out of home by the agency: legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, and number of families from the child's own culture in the placement pool during the period for which data is provided. The agency shall provide the required data for children who were placed during the previous quarter and for children who are in placement at the end of the quarter. The agency must provide the data within 30 days of the end of the quarter for which the data is applicable.

Sec. 11. [257.0725] [ANNUAL REPORT.]

By June 1 of each year, the commissioner of human services shall publish a report on children in out-of-home placement during the previous calendar year. The report shall include, by county and statewide, information on legal status, living arrangement, age, sex, race, accumulated length of time in placement, and other demographic information deemed appropriate on all children in out-of-home placement. Out-of-home placement includes placement in any facility by an authorized child-placing agency.

Sec. 12. [257.073] [ASSESSMENT AND TRAINING OF FAMILIES AND STAFF.]

The commissioner of human services shall:

(1) work with representatives of each minority council established under sections 3.922, 3.9223, 3.9225, and 3.9226 to develop:

(a) criteria for use in determining whether a prospective adoptive or foster family is "knowledgeable and appreciative" as the term is used in section 260.181, subdivision 3. The criteria must reflect a sensitivity and understanding of the uniqueness of each minority culture;

(b) a standardized training curriculum for adoption and foster care workers who work with minority and special needs children; and

(c) a training curriculum for family and extended family members of minority adoptive and foster children. The curriculum must address issues relating to cross-cultural placements as well as issues that arise after a foster or adoptive placement is made;

(2) develop and provide to agencies an assessment tool to be used in combination with group interviews and other preplacement activities to evaluate prospective adoptive and foster families. The tool must assess problem-solving skills; identify parenting skills; and, when required by section 260.181, subdivision 3, evaluate the

degree to which the prospective family is knowledgeable and appreciative of racial and ethnic differences; and

(3) provide or approve training for adoption workers, family-based providers, foster care workers, and administrators who work in the area of out-of-home placement. Training must address the following subjects:

(a) developing and maintaining sensitivity to other cultures;

(b) assessing values and their cultural implications; and

(c) implementing the minority child heritage protection act, Laws 1983, chapter 278, and the Minnesota Indian family preservation act, sections 257.35 to 257.357.

Sec. 13. [257.075] [GRANTS FOR SUPPORT SERVICES.]

The commissioner of human services may make grants to authorized child-placing agencies that provide services to minority children in out-of-home placements. Support services may include, but are not limited to:

(1) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(2) advocacy in working with the county and private social service agencies, and activities to help provide access to agency services;

(3) family and community involvement strategies to combat child abuse and chronic neglect of children;

(4) coordinated child welfare and mental health services to minority families;

(5) preadoption, postadoption, and foster care support groups for minority children and prospective adoptive and foster families;

(6) the use of minority foster parents as continuing support for children returned to birth homes;

(7) information, counseling, and support groups to assist minority children approaching age 18 in setting permanent goals for independent living;

(8) minority adolescent support groups for children in long-term foster care, new adoptive placements, and nonminority homes where identity issues threaten the adoptive relationship and adjustment;

(9) services listed at section 256F.07; and

(10) other activities and services approved by the commissioner that further the goals of the minority heritage preservation act.

Sec. 14. Minnesota Statutes 1986, section 260.181, subdivision 3, is amended to read:

Subd. 3. [PROTECTION OF RACIAL OR ETHNIC HERITAGE, OR RELIGIOUS AFFILIATION.] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's minority race or minority ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's minority racial or minority ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets the parent's religious preference.

Sec. 15. [APPROPRIATION.]

§ is appropriated to the commissioner of human services for purposes of sections 1 to 14.

Sec. 16. [REPEALER.]

Minnesota Statutes 1986, section 257.071, subdivision 6, is repealed."

Amend the title as follows:

Page 1, line 17, delete "260.015, subdivision 13" and insert "260.181, subdivision 3"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2055, A bill for an act relating to education; making changes in the budget law relating to special school district No. 1, Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, as amended.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2114, A bill for an act relating to human services; refining the comprehensive mental health act; transferring an appropriation; amending Minnesota Statutes 1986, section 256E.12, subdivisions 1 and 2; Minnesota Statutes 1987 Supplement, sections 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 256B.02, subdivision 8; 256E.12, subdivision 3; and Laws 1987, chapter 403, article 2, section 34.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage on the same basis as coverage for other benefits for at least 80 percent of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious and or persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, or (3) a licensed consulting psychologist licensed under the provisions of sections 148.87 to 148.98, or a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a non-profit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not exceed~~ be limited to a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a provider listed above in item (1), (2) or (3).

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62D.102, is amended to read:

62D.102 [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital and at least 75 percent of the cost of the usual and customary charges for any additional hours of ambulatory mental health treatment during

the same 12-month benefit period for serious ~~and~~ or persistent mental or nervous disorders.

Prior authorization may be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not exceed~~ be limited to a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a health maintenance organization provider.

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT ACTIVITIES.] "Case management activities" means activities that are ~~part of~~ coordinated with the community support services program as defined in subdivision 6 and are designed to help people with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management activities include ~~obtaining a diagnostic assessment,~~ developing an individual community support plan, referring the person to needed mental health and other services, ~~coordinating~~ ensuring coordination of services, and monitoring the delivery of services.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGER.] "Case manager" means an individual employed by the county or other entity authorized by the county board to provide the case management activities as part of a community support services program specified in sections 245.462, subdivision 3; 245.471; and 245.475. A case manager must be qualified at the mental health practitioner level with a bachelors degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for

the benefit of the client. The case manager must meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelors degree but without 2,000 hours of supervised experience in the delivery of services to persons with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of persons with serious and persistent mental illness and must receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.

Sec. 5. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help people with serious and persistent mental illness to function and remain in the community. A community support services program includes case management activities provided to persons with serious and persistent mental illness;

- (1) client outreach,
- (2) medication management,
- (3) assistance in independent living skills,
- (4) development of employability and supportive work opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) the development, identification, and monitoring of living arrangements.

The community support services program must be coordinated with the case management activities specified in sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 6. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 17, is amended to read:

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

(1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university, and has at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training by an accredited college or university; or

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university with and has less than 4,000 hours post-master's experience in the treatment of mental illness.

Sec. 7. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 18, is amended to read:

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent, who is licensed under sections 148.171 to 148.285, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and

certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 8. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 19, is amended to read:

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means at least all of the treatment services and case management activities that are provided to persons with mental illness and are described in sections 245.468 245.461 to 245.476 245.486.

Sec. 9. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of sections 245.461 to 245.486 case management and community support services, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:

(1) the person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;

(2) the person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months;

(3) the person:

(i) has had a history of recurring inpatient or residential treatment episodes of a frequency described in clause (1) or (2), but not within the preceding 24 months. There must also be a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion of from a mental health professional stating that the person is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless an ongoing community support services program is provided; or

(4) the person has been committed by a court as a mentally ill person under chapter 253B.

Sec. 10. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 21, is amended to read:

Subd. 21. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional, to persons with a mental illness who live outside a hospital or residential treatment setting. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Sec. 11. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 23, is amended to read:

Subd. 23. [RESIDENTIAL TREATMENT.] "Residential treatment" means a 24-hour-a-day residential program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center, which must be licensed as a residential treatment facility for mentally ill persons with mental illness under Minnesota Rules, parts 9520.0500 to 9520.0690 for adults, 9545.0900 to 9545.1090 for children, or other rule adopted by the commissioner.

Sec. 12. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 25, is amended to read:

Subd. 25. [CLINICAL SUPERVISION.] "Clinical supervision," when referring to the responsibilities of a mental health professional, means the oversight responsibility of a mental health professional for individual treatment plans, and individual service delivery, and program activities including that provided by the case manager. Clinical supervision may must be accomplished by full or

part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and evidence of input into service delivery and program development by entries in the client's record regarding supervisory activities.

Sec. 13. Minnesota Statutes 1987 Supplement, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local mental health service proposal approved by the commissioner. The county board must:

(1) develop and coordinate a system of affordable and locally available mental health services in accordance with sections 245.466 245.461 to 245.474 245.486;

(2) provide for case management services to persons with serious and persistent mental illness in accordance with ~~section 245.475~~ sections 245.462, subdivisions 3 and 4; 245.471; 245.475; and 245.486;

(3) provide for screening of persons specified in section 245.476 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center; and

(4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.461 to 245.486.

Sec. 14. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full

implementation of sections 245.461 to 245.486 during the period July 1, 1987 to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 245.461 to 245.486 by January 1, 1990, according to the priorities established in section 245.464 and the local mental health services proposal approved by the commissioner under section 245.478.

Sec. 15. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 2, is amended to read:

Subd. 2. [MENTAL HEALTH SERVICES.] The mental health service system developed by each county board must include the following ~~treatment~~ services:

(1) education and prevention services in accordance with section 245.468;

(2) emergency services in accordance with section 245.469;

(3) outpatient services in accordance with section 245.470;

(4) community support program services in accordance with sections 245.471 and 245.475;

(5) residential treatment services in accordance with section 245.472;

(6) acute care hospital inpatient treatment services in accordance with section 245.473;

(7) regional treatment center inpatient services in accordance with section 245.474; and

(8) screening in accordance with section 245.476; and

(9) case management in accordance with sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 16. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 5, is amended to read:

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local mental health advisory council or mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of a person with mental illness, one mental health professional, and one community support services program representative. The local mental health

advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local advisory council or mental health subcommittee of an existing advisory council shall arrange for input from the regional treatment center review board center's mental illness program unit regarding coordination of care between the regional treatment center and community-based services. The county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Sec. 17. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

Sec. 18. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 5. [INFORMATION FOR BILLING.] Each provider of outpatient treatment, community support services, emergency services, residential treatment, or acute care hospital inpatient treatment must include the name and home address of each client for whom services are included on a bill submitted to a county, if the client has consented to the release of that information and if the county requests the information. Each provider must attempt to obtain each client's consent to include the client's name and home address on the bill, explaining that the information can only be released with the client's consent, must be used only for purposes of payment and maintaining provider accountability, and must document the attempt in the client's record.

Sec. 19. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 6. [RESTRICTED ACCESS TO DATA.] The county board shall establish procedures to ensure that the names and addresses of persons receiving mental health services are disclosed only to:

(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; and

(2) staff who provide treatment services or case management and their clinical supervisors.

A person who releases mental health data on individuals submitted under sections 17 and 18 to persons other than those specified in this subdivision, or uses this data for purposes other than those stated in sections 17 and 18, results in being civilly or criminally liable under the standards in sections 13.08 or 13.09.

Sec. 20. Minnesota Statutes 1987 Supplement, section 245.469, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services provide immediate direct access to a mental health ~~professionals~~ professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who is under the receives clinical supervision of from a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 21. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 2, is amended to read:

Subd. 2. [CASE MANAGEMENT ACTIVITIES.] (a) By January 1, 1989, the county board shall develop case management activities must be developed as part of the community support program available to for all persons with serious and persistent mental illness residing in the county who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must at a minimum qualify as a mental health practitioner meet the requirements in section 245.462, subdivision 4.

(b) All providers of case management activities must develop an individual community support plan. The individual community support plan must state for each of their clients:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

- (3) a schedule for each activity; and
- (4) the frequency of face-to-face client contacts, as appropriate to client need and the implementation of the community support plan.

The case manager must develop an individual community support plan ~~must incorporate for each client that incorporates the client's individual treatment plan.~~ The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the person with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

(c) The client's individual community support plan must state:

- (1) the goals of each service;
- (2) the activities for accomplishing each goal;
- (3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the community support plan.

(d) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support program as well as other mental health services.

Sec. 22. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 3, is amended to read:

Subd. 3. [DAY TREATMENT ACTIVITIES SERVICES PROVIDED.] (a) By July 1, 1989, day treatment activities services must be developed as a part of the community support program available to persons with serious and persistent mental illness residing in the county. Day treatment services must be available to persons with serious and persistent mental illness residing in the county as part of the community support program of each county. Clients may be required to pay a fee. Day treatment services must be designed to:

- (1) provide a structured environment for treatment;

(2) provide family and community support;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need; and

(4) establish fee schedules approved by the county board that are based on a client's ability to pay.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support program for clients who would otherwise need day treatment services;

(2) ~~that~~ day treatment, if included, would be duplicative of other components of the community support program; and

(3) ~~that~~ county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Sec. 23. Minnesota Statutes 1987 Supplement, section 245.472, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional. Persons employed in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, in the capacity of program director as of July 1, 1987, in accordance with Minnesota Rules, parts 9520.0500 to 9520.0690, may be allowed to continue providing clinical supervision within a facility for a period of four years beginning July 1, 1987, provided they continue to be employed as a program director in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Sec. 24. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 1, is amended to read:

Subdivision 1. [CLIENT ELIGIBILITY CASE MANAGEMENT.] By January 1, 1989, the county board shall provide case management and other appropriate community support services to all persons each person with serious and persistent mental illness who requests services or is referred by a provider under section 17. Case management services provided to people with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under section 256B.02, subdivision 8.

Sec. 25. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 2, is amended to read:

Subd. 2. [~~DESIGNATION OF CASE MANAGER NOTIFICATION OF CASE MANAGEMENT ELIGIBILITY.~~] The county board shall designate a notify the client of the person's potential eligibility for case manager management services within five working days after receiving an application for community support services or immediately after authorizing payment for residential, acute care hospital inpatient, or regional treatment center services under section 245.476 a request from an individual or a referral from a provider under section 17.

The county board shall send a written notice to the applicant client and the applicant's client's representative, if any, that identifies the designated case manager management providers.

Sec. 26. Minnesota Statutes 1987 Supplement, section 245.476, subdivision 1, is amended to read:

Subdivision 1. [~~SCREENING REQUIRED.~~] By No later than January 1, 1989 1991, the county board shall screen all persons before they may be admitted for treatment of mental illness to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. Screening prior to admission must occur within ten days. If a person is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. Persons must be screened within ten days before or within five days after admission to ensure that:

- (1) an admission is necessary,
- (2) the length of stay is as short as possible consistent with individual client need, and
- (3) a the case manager, if assigned, is immediately assigned to individuals with serious and persistent mental illness and developing an individual community support plan is developed.

The screening process and placement decision must be documented in the client's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards specified in clauses (1) to (3).

Sec. 27. Minnesota Statutes 1987 Supplement, section 245.477, is amended to read:

245.477 [APPEALS.]

Any person who ~~applies for~~ requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of application the request and each time the community service plan is reviewed. Any person whose ~~application~~ request for mental health services under sections ~~245.468 245.461 to 245.476 245.486~~ is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated may contest that action before the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 28. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 1, is amended to read:

Subdivision 1. [TIME PERIOD.] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. Subsequent proposals must be on the same two-year cycle as community social service plans and must satisfy the requirement of the community social service plan for the mental illness target population as required by section 256E.09 if the proposal complies with sections 245.461 to 245.486. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.

Sec. 29. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 2, is amended to read:

Subd. 2. [PROPOSAL CONTENT.] The local mental health proposal must include:

(1) the local mental health advisory council's or mental health subcommittee of an existing advisory council's report on unmet needs and any other needs assessment used by the county board in preparing the local mental health proposal;

(2) a description of the local mental health advisory council's or the mental health subcommittee of an existing advisory council's involvement in preparing the local mental health proposal and methods used by the county board to obtain participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services

listed in sections 245.468 to 245.476, and actual expenditures ~~and revenues~~ for each mental health service;

(4) for the first proposal period only, information for the year during which the proposal is being prepared:

(i) a description of the current mental health system identifying each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the ~~treatment mental health services or management activities~~ described in sections 245.468 to 245.476 or that provides over \$10,000 of mental health services per year for this county;

(iii) a description of how the mental health services in the county are unified and coordinated;

(iv) the estimated number of clients receiving each mental health service;

(v) estimated expenditures ~~and revenues~~ for each mental health service; and

(5) the following information describing how the county board intends to meet the requirements of sections 245.461 to 245.486 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the ~~treatment mental health services or management activities~~ described in sections 245.468 to 245.476 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for this county;

(iii) a description of how the mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each mental health service; and

(v) estimated expenditures ~~and revenues~~ for each mental health service and revenues for the entire proposal.

Sec. 30. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 9, is amended to read:

Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved local proposal, it must present the proposed changes to the commissioner for approval at least ~~60~~ 30 days before the changes take effect. "Significant changes" means:

(1) the county board proposes to provide a mental health service through a provider other than the provider listed for that service in the approved local proposal;

(2) the county board expects the total annual expenditures for any single mental health service to vary more than ten percent or \$5,000, whichever is greater, from the amount in the approved local proposal;

(3) the county board expects a combination of changes in expenditures per mental health service to exceed more than ten percent of the total mental health services expenditures; or

(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local proposal.

Sec. 31. Minnesota Statutes 1987 Supplement, section 245.479, is amended to read:

245.479 [COUNTY OF FINANCIAL RESPONSIBILITY.]

For purposes of ~~section 245.476~~ sections 245.461 to 245.486, the county of financial responsibility is ~~the same as that for community social services determined under section 256E.08, subdivision 7 256G.02, subdivision 4.~~ Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with ~~section 256D.18, subdivision 4~~ 256G.09.

Sec. 32. Minnesota Statutes 1987 Supplement, section 245.482, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified format for a ~~semiannual~~ an annual program report that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and section 256E.10. The county board shall submit a completed program report in the required format ~~no later than 75 days after each six-month period~~ by March 15 of each year.

Sec. 33. Minnesota Statutes 1987 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 requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion prior to reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. 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 252.41, subdivision 3, 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-directed 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. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. 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. "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 nursing 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 commis-

sioner, 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 the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. 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 specifi-

cally 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. "Preventive services" include services related to pregnancy, including services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance;

(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. For purposes of obtaining Medicare part B, expenditures may be made even if federal funding is not available;

(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 assistant 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 assistants 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;

(18) To the extent authorized by rule of the state agency, case management services to persons with serious and persistent mental illness;

(19) To the extent authorized by rule of the state agency, case management services to persons with brain injuries;

(20) Hospice care services under Public Law Number 99-272, section 9505, to the extent authorized by rule; and

(21) Day treatment services as specified in sections 245.462, subdivision 8, and 245.471, subdivision 3, that are provided under contract with the county board; and

(22) 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 Laws 1986, chapter 394, 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 Laws 1986, chapter 394, sections 8 to 20. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before medical assistance reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether prior authorization is required for

a health service or a second medical opinion is required for an elective surgery is not subject to administrative appeal.

Sec. 34. Minnesota Statutes 1986, section 256E.12, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall establish an experimental a statewide program to assist counties in providing services to ~~chronically mentally ill~~ persons with serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c). The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide services designed to help ~~chronically mentally ill~~ persons with serious and persistent mental illness remain and function in their own communities. Grants received pursuant to this section may be used to fund ~~innovative community support services programs, relating to physical fitness programs designed as part of a mental health treatment plan as specified in section 245.462, subdivision 6, and case management activities that cannot be billed to the medical assistance program under section 256B.02, subdivision 8.~~

Sec. 35. Minnesota Statutes 1986, section 256E.12, subdivision 2, is amended to read:

Subd. 2. To apply for a grant a county board shall submit an application and budget for the use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. A county receiving a grant under this section shall finance at least ten percent of the cost of services for ~~chronically mentally ill~~ persons with serious and persistent mental illness from local resources, which may include private contributions and federal money.

Sec. 36. Minnesota Statutes 1987 Supplement, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services for ~~chronically mentally ill~~ to persons with serious and persistent mental illness. The commissioner shall promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping ~~chronically mentally ill~~ persons with serious and persistent mental illness remain and function in their own communities. ~~The experimental program shall expire no later than June 30, 1989.~~

Sec. 37. Laws 1987, chapter 403, article 2, section 34, is amended to read:

Sec. 34. [245.48] [MAINTENANCE OF EFFORT.]

Counties must continue to spend for mental health services according to generally accepted budgeting and accounting principles an amount equal to the total expenditures shown in the county's approved 1987 Community Social Services Act plan under "State CSSA, Title XX and County Tax" for services to persons with mental illness plus the ~~total~~ comparable figure for Rule 5 facilities under target populations other than mental illness in the approved 1987 CSSA plan.

Sec. 38. [TRANSFER.]

Of the amount appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 5, for state mental health grants for fiscal year 1988, \$1,750,000 is transferred to fiscal year 1989 and \$250,000 for information systems is transferred to the state systems account established in section 256.014, subdivision 2.

Sec. 39. [EFFECTIVE DATE.]

Section 38 is effective the day following final enactment.

Amend the title as follows:

Page 1, line 6, after "sections" insert "62A.152, subdivision 2; 62D.102;"

Page 1, line 10, after the first semicolon, insert "245.472, subdivision 2;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2115, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

Reported the same back with the following amendments:

Page 2, line 7, after the first "of" insert "Minnesota Statutes, chapter 44,"

Page 2, delete lines 10 and 11

Page 2, line 12, delete "(3)" and insert "(2)"

Page 2, line 16, delete "(4)" and insert "(3)"

Page 2, line 20, after "4," insert "or" and delete "; or"

Page 2, line 21, delete "197.46"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2125, A bill for an act relating to retirement; providing for the funding of certain retirement fund deficiencies; amending Minnesota Statutes 1986, sections 275.125, by adding a subdivision; and 354A.12, subdivision 2, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2126, A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.14, subdivision 2; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision

2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reported the same back with the following amendments:

Page 1, after line 24, insert:

“Section 1. [62A.047] [DEPENDENT COVERAGE.]

A policy of accident or sickness which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 2. [62C.143] [DEPENDENT COVERAGE.]

A subscriber contract of a nonprofit health service plan corporation which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.”

Page 1, line 32, after the period insert “Coverage under this section shall apply only if the dependent child resides within the service area of the health maintenance organization or if the dependent child is a birth or legally adopted child.”

Page 3, line 17, delete “from” and insert “who are” and delete “up to” and insert “or older but less than”

Page 3, line 24, after the stricken period insert “The period of eligibility extends from the first day of the month in which the child’s first birthday occurs to the last day of the month in which the child becomes six years old.”

Page 6, line 22, strike everything after “(c)”

Page 6, line 23, strike “choose a prepaid health plan by January 15, 1988.”

Page 9, line 1, delete the new language and insert “; the methodology for calculating the”

Page 9, line 2, delete "calculating" and after "income" insert "shall be as"

Page 11, line 21, strike "a semiannual" and insert "an"

Page 11, line 31, strike "monthly" and after "care" insert "in three consecutive months"

Page 11, line 33, strike "monthly" and insert "quarterly"

Page 11, line 34, strike "monthly" and insert "quarterly"

Page 14, after line 25, insert:

"Sec. 12. Minnesota Statutes 1986, section 256B.08, is amended to read:

256B.08 [APPLICATION.]

Subdivision 1. [APPLICATION PROCESS.] An applicant for medical assistance hereunder, or a person acting in the applicant's behalf, shall file an application with a county local agency in such the manner and form as shall be prescribed by the state agency. When a married applicant resides in a nursing home or applies for medical assistance for nursing home services, the county local agency shall consider an application on behalf of the applicant's spouse only upon specific request of the applicant or upon specific request of the spouse and separate filing of an application.

Subd. 2. [EXPEDITED REVIEW FOR PREGNANT WOMEN.] A pregnant woman who may be eligible for assistance under section 256B.06, subdivision 1, shall receive an appointment for eligibility determination no later than five working days from the date of her request for assistance from the local agency. The local agency shall expedite processing her application for assistance and shall make a determination of eligibility on a completed application no later than ten working days following the applicant's initial appointment. The local agency shall assist the applicant to provide all necessary information and documentation in order to process the application within the time period required under this subdivision. The state agency shall provide for the placement of applications for medical assistance in eligible provider offices, community health offices, and Women, Infants and Children (WIC) program sites.

Sec. 13. Minnesota Statutes 1987 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

certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (c); (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have their nursing home care paid for indefinitely by the veteran's administration; or (6) 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 applicants who are receiving medical assistance must be paid by the medical assistance program. The total screening cost for each county for applicants who are not eligible for medical assistance and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). For all individuals regardless of payment source, if delay-of-screening timelines are not met because a county is late in screening an individual who meets the delay-of-screening criteria, the county is solely responsible for paying the cost of the preadmission screening. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.~~

Page 15, after line 33, insert:

"Sec. 15. Minnesota Statutes 1986, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall may include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Sec. 16. Minnesota Statutes 1986, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (a) persons eligible for medical assistance according to section 256B.06, subdivision 1, paragraphs (1) and (2); and (b) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Sec. 17. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

General assistance medical care shall not be available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance."

Page 22, after line 2, insert:

"Sections 1, 2, 3, and 5 apply to any policy, plan, or contract issued or renewed on or after the date following final enactment."

Page 22, line 3, delete "2" and insert "4"

Page 22, line 7, delete "2" and insert "4"

Page 22, after line 12, insert:

"The changes in section 10, clauses (6) and (13) are effective January 1, 1989."

Sections 18 to 29 are effective January 1, 1989."

Renumber remaining sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 12, after the semicolon insert "requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale;"

Page 1, line 15, after "subdivisions;" insert "256B.08;" and after "2;" insert "256B.69, subdivisions 3 and 4;"

Page 1, line 20, after the semicolon insert "256B.091, subdivision 4; 256D.03, subdivision 3;"

Page 1, line 22, delete "chapter" and insert "chapters 62A; 62C; and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.02, is amended by adding a subdivision to read:

Subd. 15. "Net worth" means admitted assets, as defined in section 15, minus liabilities.

Sec. 2. Minnesota Statutes 1986, section 62D.02, is amended by adding a subdivision to read:

Subd. 16. "Affiliate" means a person or entity controlling, controlled by, or under common control with the person or entity.

Sec. 3. Minnesota Statutes 1986, section 62D.03, subdivision 4, is amended to read:

Subd. 4. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) a copy of the basic organizational document, if any, of the applicant and of each major participating entity; such as the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant and of each major participating entity;

(c) a list of the names, addresses, and official positions of the following:

(1) all members of the board of directors, or governing body of the local government unit, and the principal officers and shareholders of the applicant organization; and

(2) all members of the board of directors, or governing body of the local government unit, and the principal officers of the major participating entity and each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

The commissioner may by rule identify persons included in the term "principal officers";

(d) a full disclosure of the extent and nature of any contract or financial arrangements between the following:

(1) the health maintenance organization and the persons listed in clause (c)(1);

(2) the health maintenance organization and the persons listed in clause (c)(2);

(3) each major participating entity and the persons listed in clause (c)(1) concerning any financial relationship with the health maintenance organization; and

(4) each major participating entity and the persons listed in clause (c)(2) concerning any financial relationship with the health maintenance organization;

(e) the name and address of each participating entity and the agreed upon duration of each contract or agreement;

(f) a copy of the form of each contract binding the participating entities and the health maintenance organization. Contractual provisions shall be consistent with the purposes of sections 62D.01 to 62D.29, in regard to the services to be performed under the contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health maintenance organization, the nature and extent of risk sharing permissible, and contractual termination provisions;

(g) a copy of each contract binding major participating entities and the health maintenance organization. Contract information filed with the commissioner shall be confidential and subject to the provisions of section 13.37, subdivision 1, clause (b), upon the request of the health maintenance organization.

Upon initial filing of each contract, the health maintenance organization shall file a separate document detailing the projected annual expenses to the major participating entity in performing the contract and the projected annual revenues received by the entity from the health maintenance organization for such performance. The commissioner shall disapprove any contract with a major participating entity if the contract will result in an unreasonable expense under section 62D.19. The commissioner shall approve or disapprove a contract within 30 days of filing.

Within 120 days of the anniversary of the implementation of each contract, the health maintenance organization shall file a document detailing the actual expenses incurred and reported by the major participating entity in performing the contract in the preceding year and the actual revenues received from the health maintenance organization by the entity in payment for the performance.

Contracts implemented prior to April 25, 1984, shall be filed within 90 days of April 25, 1984. These contracts are subject to the provisions of section 62D.19, but are not subject to the prospective review prescribed by this clause, unless or until the terms of the contract are modified. Commencing with the next anniversary of the implementation of each of these contracts immediately following filing, the health maintenance organization shall, as otherwise required by this subdivision, file annual actual expenses and revenues.

(h) a statement generally describing the health maintenance organization, its health maintenance contracts and separate health service contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services and separate health services;

(i) a copy of the form of each evidence of coverage to be issued to the enrollees;

(j) a copy of the form of each individual or group health maintenance contract and each separate health service contract which is to be issued to enrollees or their representatives;

(k) financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of

the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(l) a description of the proposed method of marketing the plan, a schedule of proposed charges, and a financial plan which includes a three year projection of the expenses and income and other sources of future capital;

(m) a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

(n) a description of the complaint procedures to be utilized as required under section 62D.11;

(o) a description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (c) and to monitor the quality of health care provided to enrollees;

(p) a description of the mechanism by which enrollees will be afforded an opportunity to participate in matters of policy and operation under section 62D.06;

(q) a copy of any agreement between the health maintenance organization and an insurer or nonprofit health service corporation regarding reinsurance, stop-loss coverage, insolvency coverage, or any other type of coverage for potential costs of health services, as authorized in ~~section~~ sections 62D.04, subdivision 1, clause (f), 62D.05, subdivision 3, and ~~section~~ 62D.13; and

(r) other information as the commissioner of health may reasonably require to be provided.

Sec. 4. Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1, is amended to read:

Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) arrangements for an ongoing evaluation of the quality of health care;

(c) a procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its

services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

(d) reasonable provisions for emergency and out of area health care services;

(e) demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner of health may shall require the amounts of net worth and working capital required in section 14, the deposit required in section 62D.041, and in addition shall consider:

(1) the financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) ~~the adequacy of its working capital;~~

~~(3) arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization; and~~

~~(4) (3) agreements with providers for the provision of health care services; and~~

~~(5) any deposit of cash or securities submitted in accordance with section 62D.041;~~

(f) demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit the following:

(1) a health maintenance organization from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services to its members on a nonelective emergency basis; or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

(2) a health maintenance organization from having a provision in a group health maintenance contract allowing an adjustment of premiums paid based upon the actual health services utilization of

the enrollees covered under the contract, except that at no time during the life of the contract shall the contract holder fully self-insure the financial risk of health care services delivered under the contract. Risk sharing arrangements shall be subject to the requirements of sections 62D.01 to 62D.30;

(g) otherwise met the requirements of sections 62D.01 to 62D.29.

Sec. 5. Minnesota Statutes 1986, section 62D.041, subdivision 1, is amended to read:

62D.041 [PROTECTION AGAINST IN THE EVENT OF INSOLVENCY.]

Subdivision 1. [DEFINITION.] For the purposes of this section, the term "uncovered expenditures" means the costs of health care services that are covered by a health maintenance organization for which an enrollee would also be liable in the event of the organization's insolvency, including out-of-area services, referral services, and any other expenditures for health care services for which the health maintenance organization is at risk and that are not guaranteed, insured, or assumed by a person other than the health maintenance organization.

Sec. 6. Minnesota Statutes 1986, section 62D.041, subdivision 2, is amended to read:

Subd. 2. [REQUIRED DEPOSIT.] Unless otherwise provided in this section, Each health maintenance organization shall deposit with any organization or trustee acceptable to the commissioner through which a custodial or controlled account is utilized, the cash, freely alienable securities, or any combination of these or other measures that is acceptable to the commissioner in the amount set forth required in this section. If a health maintenance organization does not have the required reserves or its reserves are not properly computed, operations shall be adjusted to correct the condition, according to a written plan proposed by the health maintenance organization and approved by the commissioner. If a health maintenance organization does not propose measures to correct its reserves or surplus within a reasonable time, if a corporation violates the plan which has been approved, or if there is evidence that an improper reserve or surplus status cannot be corrected within a reasonable time, the commissioner of commerce may take action against the corporation under chapter 60B. The commissioner may allow a health maintenance organization's deposit requirement to be met by a guaranteeing organization, as defined in section 14, based on the criteria set out in subdivision 4 of that section. The health maintenance organization may also satisfy one-half of its deposit requirement through use of a letter of credit as specified in section 62D.041, subdivision 9.

Sec. 7. Minnesota Statutes 1986, section 62D.041, subdivision 3, is amended to read:

Subd. 3. [AMOUNT FOR BEGINNING ORGANIZATIONS.] The amount for an organization that is beginning operation shall be the greater of: (a) five percent of its estimated expenditures for health care services for its first year of operation; (b) twice its estimated average monthly uncovered expenditures for its first year of operation; or (c) \$100,000.

At the beginning of each succeeding year, unless not applicable, the organization shall deposit with the organization or trustee, cash, freely alienable securities, or any combination of these or other measures acceptable to the commissioner in an amount equal to four percent of its estimated annual uncovered expenditures for that year. (a) Organizations that obtain a certificate of authority after enactment of this subdivision shall deposit, before receiving a certificate of authority, \$500,000. The health maintenance organization shall provide the commissioner with evidence of the deposit before receiving a certificate of authority.

(b) On or before April 1 of the year following the organization's first 12 months of operation under a certificate of authority, an organization shall deposit an amount equal to the difference between the initial deposit and 50 percent of its uncovered expenditures in its first 12 months of operation.

(c) On or before April 1 of subsequent years, an organization shall deposit an amount equal to the difference between the amount on deposit and 50 percent of its uncovered expenditures in the preceding calendar year.

Sec. 8. Minnesota Statutes 1986, section 62D.041, subdivision 4, is amended to read:

Subd. 4. [AMOUNT FOR EXISTING ORGANIZATIONS.] Unless not applicable, On or before April 1, 1989, an organization that is in operation on August 1, 1984, has received a certificate of authority on or before enactment of this subdivision shall make a have on deposit an amount equal to the larger of:

(a) one percent of the preceding 12 months' uncovered expenditures 50 percent of its uncovered expenditures in the preceding calendar year; or

(b) \$100,000 on the first day of the fiscal year beginning six months or more after August 1, 1984 \$500,000.

In the second fiscal year, if applicable, the amount of the additional deposit shall be equal to two percent of its estimated annual

uncovered expenditures. In the third year, if applicable, the additional deposit shall be equal to three percent of its estimated annual uncovered expenditures for that year. In the fourth fiscal year and subsequent years, if applicable, the additional deposit shall be equal to four percent of its estimated annual uncovered expenditures for each year. Each year's estimate, after the first year of operation, shall reasonably reflect the prior year's operating experience and delivery arrangements.

On or before April 1 of each subsequent year, an organization shall deposit an amount equal to the difference between the amount on deposit and 50 percent of its uncovered expenditures in the preceding calendar year.

Sec. 9. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 5a. [WAIVER OF ADDITIONAL DEPOSIT.] In any year when the amount determined according to this section is zero or less than zero, the commissioner shall not require the organization to make any additional deposit.

Sec. 10. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 6a. [WITHDRAWAL OF DEPOSIT.] If the amount previously deposited by the organization under this section exceeds the amount required under this section by more than \$50,000 for a continuous 12-month period, the commissioner shall allow the organization to withdraw the portion of the deposit that exceeds by more than \$50,000 the amount required to be on deposit for the organization, unless the commissioner determines that release of a portion of the deposit could be hazardous to enrollees, creditors, or the general public. An organization shall not apply for a refund under this section more than once in each calendar year.

Sec. 11. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 6b. [EVIDENCE OF DEPOSIT.] An organization shall provide the commissioner with evidence of every deposit made on or before the date of the deposit.

Sec. 12. Minnesota Statutes 1986, section 62D.041, subdivision 7, is amended to read:

Subd. 7. [CONTROL OF OVER DEPOSITS.] All income from deposits shall belong to the depositing organizations and shall be paid to it as it becomes available. A health maintenance organization that has made a securities deposit may withdraw that deposit or

any part thereof after making a substitute deposit of cash, freely alienable securities, or any combination of these or other measures of equal amount and value. Any securities shall be approved by the commissioner before being substituted.

Sec. 13. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 9. [LETTER OF CREDIT.] A health maintenance organization may satisfy one-half of its deposit requirement through use of a letter of credit issued by a bank authorized to do business in this state, provided that:

(1) nothing more than a demand for payment is necessary for payment;

(2) the letter of credit is irrevocable;

(3) according to its terms, the letter of credit cannot expire without due notice from the issuer, and the notice must occur at least 60 days prior to the expiration date and be in the form of a written notice to the commissioner;

(4) the letter of credit is issued or confirmed by a bank which is a member of the federal reserve system;

(5) the letter of credit is unconditional, is in no way contingent upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreements, documents, or entities;

(6) the letter of credit designates the commissioner as beneficiary; and

(7) the letter of credit may be drawn upon after insolvency of the health maintenance organization.

Sec. 14. [62D.042] [NET WORTH AND WORKING CAPITAL REQUIREMENTS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, "guaranteeing organization" means an organization that has agreed to make necessary contributions or advancements to the health maintenance organization to maintain the health maintenance organization's statutorily required net worth.

(b) For this section, "working capital" means current assets minus current liabilities.

Subd. 2. [BEGINNING ORGANIZATIONS.] (a) Beginning organizations shall maintain net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1,500,000, whichever is greater.

(b) After the first full calendar year of operation, organizations shall maintain net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the most recent calendar year, or \$1,000,000, whichever is greater.

Subd. 3. [PHASE-IN FOR EXISTING ORGANIZATIONS.] (a) Organizations that obtained a certificate of authority on or before enactment of this subdivision have until April 1, 1992, to establish a net worth equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(b) On April 1, 1989, organizations shall have a net worth of one-fourth of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(c) On April 1, 1990, organizations shall have a net worth of one-half of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(d) On April 1, 1991, organizations shall have a net worth of three-fourths of an amount equal to $8\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

Subd. 4. [GUARANTEEING ORGANIZATION.] (a) The commissioner may determine that it is in the best interests of an organization's enrollees and the public to allow an organization's net worth requirement to be satisfied by a guaranteeing organization. The commissioner shall consider the net worth of a guaranteeing organization, the number of organizations it guarantees, whether it is a governmental entity with power to tax, and other factors the commissioner considers relevant. If the commissioner allows a guaranteeing organization to satisfy the net worth requirement of more than one health maintenance organization, the guaranteeing organization must maintain the required net worths of the guaranteed health maintenance organizations on an aggregate basis.

(b) A health maintenance organization that requests the commissioner to allow a guaranteeing organization to satisfy its net worth or deposit requirement shall provide the commissioner with the guaranteeing organization's financial records and other relevant information when the request is made and annually, on or before

April 1, and must continue to do so upon request by the commissioner.

Subd. 5. [WORKING CAPITAL.] A health maintenance organization must maintain a positive working capital.

Subd. 6. [PLANS OF CORRECTION.] If the working capital or net worth is less than the required minimum, operations shall be adjusted to correct the net worth or working capital, according to a written plan proposed by the organization and approved by the commissioner. The commissioner may take action against the organization under chapter 60B or under the suspension and penalty provisions of sections 62D.15, 62D.16, and 62D.17 if:

(1) an organization does not propose a plan to correct its working capital or net worth within a reasonable time;

(2) an organization violates the plan that has been approved;

(3) the commissioner determines that an improper working capital or net worth status cannot be corrected within a reasonable time;
or

(4) the commissioner determines that the organization is in such financial condition that the transaction of further business would be hazardous to its enrollees, its creditors, or the public.

Sec. 15. [62D.044] [ADMITTED ASSETS.]

"Admitted assets" includes only the investments allowed by section 16 and the following:

(a) petty cash and other cash funds in the organization's principal or official branch office that are under the organization's control;

(b) immediately withdrawable funds on deposit in demand accounts, in a bank or trust company organized and regularly examined under the laws of the United States or any state and insured by an agency of the United States government, or like funds actually in the principal or official branch office at statement date, and, in transit to a bank or trust company with authentic deposit credit given before the close of business on the fifth bank working day following the statement date;

(c) the amount fairly estimated as recoverable on cash deposited in a closed bank or trust company, if the assets qualified under this section before the suspension of the bank or trust company;

(d) bills and accounts receivable that are collateralized by securities in which the organization is authorized to invest;

(e) premiums due from groups or individuals that are not more than 60 days past due;

(f) amounts due under reinsurance arrangements from insurance companies authorized to do business in this state;

(g) tax refunds due from the United States or this state;

(h) interest accrued on mortgage loans not exceeding in aggregate one year's total due and accrued interest on an individual loan;

(i) the rents due to the organization on real and personal property, directly or beneficially owned, not exceeding the amount of one year's total due and accrued rent on each individual property;

(j) interest or rents accrued on conditional sales agreements, security interests, chattel mortgages, and real or personal property under lease to other corporations that do not exceed the amount of one year's total due and accrued interest or rent on an individual investment;

(k) the fixed required interest due and accrued on bonds and other evidences of indebtedness that are not in default;

(l) dividends receivable on shares of stock, provided that the market price for valuation purposes does not include the value of the dividend;

(m) the interest on dividends due and payable, but not credited, on deposits in banks and trust companies or on accounts with savings and loan associations;

(n) interest accrued on secured loans that do not exceed the amount of one year's interest on any loan;

(o) interest accrued on tax anticipation warrants;

(p) the amortized value of electronic computer or data processing machines or systems purchased for use in the business of the organization, including software purchased and developed specifically for the organization's use;

(q) the cost of furniture, equipment, and medical equipment, less accumulated depreciation thereon, and medical and pharmaceutical supplies that are used to deliver health care and are under the organization's control, provided the assets do not exceed 30 percent of admitted assets;

(r) amounts currently due from an affiliate that has liquid assets with which to pay the balance and maintain its accounts on a

current basis. Any amount outstanding more than three months is not current; and

(s) amounts on deposit under section 62D.041.

Sec. 16. [62D.045] [INVESTMENT RESTRICTIONS.]

Subdivision 1. [RESTRICTIONS.] Funds of a health maintenance organization shall be invested only in securities and property designated by law for investment by domestic life insurance companies except for the following:

Funds may be used to purchase real estate, including leasehold estates and leasehold improvements, only for the convenient accommodation of the organization's business operations, including the home office, branch offices, medical facilities, and field office operations, on the following conditions:

(1) any parcel of real estate acquired under this subdivision may include excess space for rent to others if it is reasonably anticipated that the excess will be required by the organization for expansion or if the excess is reasonably required in order to have one or more buildings that will function as an economic unit;

(2) the real estate may be subject to a mortgage; and

(3) the purchase price of the asset, including capitalized permanent improvements, less depreciation spread evenly over the life of the property or less depreciation computed on any basis permitted under the Internal Revenue Code and its regulations, or the organization's equity, plus all encumbrances on the real estate owned by a company under this subdivision, whichever is greater, does not exceed 20 percent of its admitted assets, except if permitted by the commissioner upon a finding that the percentage of the health maintenance organization's admitted assets is insufficient to provide convenient accommodation for the organization's business. However, a health maintenance organization that directly provides medical services may invest an additional 20 percent of its admitted assets in real estate, not requiring the permission of the commissioner.

Subd. 2. [AUTHORIZATION REQUIRED.] No investment or loan shall be made or engaged in by any health maintenance organization unless the loan or investment has been authorized or ratified by the board of directors or by a committee supervising investments and loans.

Subd. 3. [LIMITS ON COMMISSIONS.] No health maintenance organization shall pay a commission or brokerage for the purchase or sale of real or personal property that exceeds usual and custom-

ary commissions or brokerage at the time and place of the purchases or sales. Information regarding payments of commissions and brokerage shall be maintained by the health maintenance organization.

Subd. 4. [OFFICER'S CONFLICT OF INTEREST.] No health maintenance organization shall knowingly, directly or indirectly, invest in or loan upon any real or personal property, in which any principal officer or director of the organization has a financial interest. No organization shall make a loan to a principal officer or director of the organization.

Subd. 5. [COMPLIANCE.] Health maintenance organizations shall have until December 31, 1989, to comply with this section.

Sec. 17. Minnesota Statutes 1986, section 62D.05, subdivision 3, is amended to read:

Subd. 3. A health maintenance organization may contract with providers of health care services to render the services the health maintenance organization has promised to provide under the terms of its health maintenance contracts, may, subject to section 62D.12, subdivision 11, enter into separate prepaid dental contracts, or other separate health service contracts, may, subject to the limitations of section 62D.04, subdivision 1, clause (f), contract with insurance companies and nonprofit health service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services for enrollees or against the risks incurred by the health maintenance organization, may contract with insurance companies and nonprofit health service plan corporations for insolvency insurance coverage, and may contract with insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization, including the customary prepayment amount and any copayment obligations.

Sec. 18. Minnesota Statutes 1986, section 62D.08, is amended by adding a subdivision to read:

Subd. 6. A health maintenance organization shall submit to the commissioner unaudited financial statements of the organization on a quarterly basis on forms prescribed by the commissioner. The statements are due 30 days after the end of each quarter and shall be maintained as nonpublic data, as defined by section 13.02, subdivision 9.

Sec. 19. Minnesota Statutes 1986, section 62D.12, subdivision 5, is amended to read:

Subd. 5. The providers under agreement with a health mainte-

nance organization to provide health care services and the health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as copayments for health care services. The health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as the periodic prepayment, or copayment, for health care services. This subdivision applies but is not limited to the following events:

(1) nonpayment by the health maintenance organization;

(2) insolvency of the health maintenance organization; and

(3) breach of the agreement between the health maintenance organization and the provider.

Sec. 20. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 9b. No health maintenance organization shall enter into an agreement with a hospital in which the hospital agrees to assume the financial risk for services provided by other facilities or providers not owned, operated, or otherwise subject to the control of the hospital assuming the financial risk.

Sec. 21. [62D.121] [PROVIDER CONTRACTS.]

Subdivision 1. [PROVIDER AGREEMENT.] Except for an employment agreement between a provider and health maintenance organization, an agreement to provide health care services between a provider and a health maintenance organization must contain the following provision:

PROVIDER AGREES NOT TO BILL, CHARGE, COLLECT A DEPOSIT FROM, SEEK REMUNERATION FROM, OR HAVE ANY RECOURSE AGAINST AN ENROLLEE OR PERSONS ACTING ON THEIR BEHALF FOR SERVICES PROVIDED UNDER THIS AGREEMENT. THIS PROVISION APPLIES BUT IS NOT LIMITED TO THE FOLLOWING EVENTS: (1) NONPAYMENT BY THE HEALTH MAINTENANCE ORGANIZATION OR (2) BREACH OF THIS AGREEMENT. THIS PROVISION DOES NOT PROHIBIT THE PROVIDER FROM COLLECTING COPAYMENTS OR FEES FOR UNCOVERED SERVICES.

THIS PROVISION SURVIVES THE TERMINATION OF THIS AGREEMENT FOR AUTHORIZED SERVICES PROVIDED BEFORE THIS AGREEMENT TERMINATES, REGARDLESS OF THE REASON FOR TERMINATION. THIS PROVISION IS FOR THE BENEFIT OF THE HEALTH MAINTENANCE ORGANIZA-

TION ENROLLEES. THIS PROVISION DOES NOT APPLY TO SERVICES PROVIDED AFTER THIS AGREEMENT TERMINATES.

THIS PROVISION SUPERSEDES ANY CONTRARY ORAL OR WRITTEN AGREEMENT EXISTING NOW OR ENTERED INTO IN THE FUTURE BETWEEN THE PROVIDER AND THE ENROLLEE OR PERSONS ACTING ON THEIR BEHALF REGARDING LIABILITY FOR PAYMENT FOR SERVICES PROVIDED UNDER THIS AGREEMENT.

Subd. 2. [COOPERATION REQUIRED.] An agreement to provide health care services between a provider and a health maintenance organization must require the provider to cooperate with and participate in the health maintenance organization's quality assurance program, dispute resolution procedure, and utilization review program.

Subd. 3. [NOTICE OF TERMINATION.] An agreement to provide health care services between a provider and a health maintenance organization must require that if the provider terminates the agreement, without cause, the provider shall give the organization 120 days' advance notice of termination.

Subd. 4. [LATE PAYMENTS.] If a health maintenance organization's payments to a provider are delayed beyond the payment date in the contract, the provider may notify the commissioner who shall consider that information in assessing the financial solvency of the health maintenance organization.

Sec. 22. Minnesota Statutes 1986, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years; provided that. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business.

Sec. 23. Minnesota Statutes 1986, section 62D.17, is amended by adding a subdivision to read:

Subd. 6. [FULL PAYMENT REQUIRED; INTEREST ON UNPAID CHARGES.] A health maintenance organization shall provide

full payment to any participating entity for services rendered as part of a contract with the organization. Payments due but not paid within 30 days from date of billing are subject to interest charged at the rate established by the commissioner of revenue under section 270.75.

Sec. 24. Minnesota Statutes 1986, section 62D.18, is amended to read:

62D.18 [REHABILITATION, OR LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATION.]

Subdivision 1. [COMMISSIONER OF HEALTH; ORDER.] The commissioner of commerce may independently, or shall at the request of the commissioner of health, order the rehabilitation, liquidation or conservation of health maintenance organizations. The rehabilitation, liquidation or conservation of a health maintenance organization shall be deemed to be the rehabilitation, liquidation or conservation of an insurance company and shall be conducted under the supervision of the commissioner of commerce and pursuant to chapter 60B, except to the extent that the nature of health maintenance organizations render such law procedures clearly inappropriate and as provided in subdivisions 2 to 8.

Subd. 2. [INSOLVENCY; GROUNDS FOR REHABILITATION; LIQUIDATION.] Insolvency, as grounds for rehabilitation or liquidation of a health maintenance organization, exists when a health maintenance organization cannot be expected to satisfy its financial obligations when the obligations become due or when the health maintenance organization has failed to correct within the time required by the commissioner deficiencies due to net worth or working capital below the required amount.

Subd. 3. [PRIORITY OF CLAIMS.] To determine the priority of distribution of general assets, claims of enrollees have the same priority as claimants under policies or contracts of coverage for losses established under section 60B.44, subdivision 4. If an enrollee is liable to any provider for covered services provided under the health plan, that liability has the status of an enrollee claim for distribution of general assets, whether the enrollee or the provider files the claim. Claims of providers under agreement with the health maintenance organization entities for payment from the plan for services rendered have priority after enrollee claims under section 60B.44, subdivision 4.

Subd. 4. [POWERS OF REHABILITATOR.] The powers of the rehabilitator include, subject to the approval of the court: (a) the power to change premium rates, without the notice requirements of section 62D.07, and (b) the power to amend the terms of provider contracts relating to reimbursement and termination, considering

the interests of providers and the continued viability of the health plan.

Subd. 5. [POWERS OF LIQUIDATOR.] The power to transfer coverage obligations under section 60B.25, clause (8), includes the power to transfer coverage obligations to a solvent health maintenance organization and to assign the provider contracts of the insolvent health maintenance organization to an assuming health maintenance organization.

Subd. 6. [ENROLLEE; NO LIABILITY.] If a health maintenance organization is insolvent, enrollees of the organization are not liable to any provider for the amounts the provider is not paid by the guaranty association pursuant to section 25, subdivisions 5 and 6.

Subd. 7. [SPECIAL EXAMINER.] The commissioner as rehabilitator shall make every reasonable effort to employ a senior executive from a successful health maintenance organization to serve as special examiner to rehabilitate the health maintenance organization, provided that the individual does not have a conflict of interest. The special examiner shall have all the powers of the rehabilitator granted under this section and section 60B.17.

Subd. 8. [EXAMINATION REVOLVING FUND.] (a) A department of health examination revolving fund is established to fund the examination of health maintenance organizations not yet in rehabilitation or liquidation.

(b) The fund consists of the money collected by the department of health from health maintenance organizations for fees and expenses of examinations. Money in the fund is appropriated to the commissioner of health for the purpose of this subdivision.

(c) The fund shall be kept in the state treasury and shall be paid out in the manner prescribed by law for money in the fund.

(d) The fund shall be used to pay per diem salaries and expenses of special examiners. Expenses may include meals, lodging, laundry, transportation, and mileage. The salary of the regular employees of the health department shall not be paid out of this fund.

(e) Upon authorization by the commissioner of health, the money due each examiner engaged in an examination shall be paid from the examination revolving fund in the manner prescribed by law.

Sec. 25. [62D.181] [GUARANTY ASSOCIATION.]

Subdivision 1. [DEFINITION.] "Control" means the direct or indirect possession of the power to control the management and policies of a health maintenance organization through membership

on the board of directors, through holding the position of principal officer, or through other means.

Subd. 2. [LIFE AND HEALTH GUARANTY ASSOCIATION REQUIREMENTS.] Each health maintenance organization is subject to chapter 61B, except to the extent that the chapter is clearly inappropriate for a health maintenance organization and as provided in subdivisions 3 to 8. For purposes of chapter 61B, health maintenance organizations shall be considered health insurers.

Subd. 3. [ASSESSMENTS.] Assessments by the guaranty association shall be diminished by the value of assets of an insolvent health maintenance organization which has not been liquidated at the time of assessment.

Subd. 4. [EXCLUDED PROVIDERS.] The guaranty association has no liability to a provider, or the provider's affiliates or members of the provider's immediate family who, within the one year before issuance of the first order of rehabilitation or liquidation pertaining to the health maintenance organization, exercised control over the organization by serving as a principal officer or director of the health maintenance organization or of a major participating entity of the health maintenance organization.

Subd. 5. [LIMITS ON PAYMENTS.] The guaranty association is not required to pay a provider for services rendered by the provider in excess of (a) the amount contracted between a provider and the insolvent organization for the services, or (b) rates established under the medical assistance program under chapter 256B, whichever is less. The association's payments under this subdivision constitute full and complete payment for the provider services to the enrollee. The guaranty association shall pay providers only for health services rendered.

Subd. 6. [EXCLUDED NONPROVIDERS; EXCEPTIONS.] The guaranty association shall not pay creditors who are not providers, except enrollees who are liable to providers for services rendered.

Subd. 7. [REPORT.] By January 31, 1992, the commissioners of health and commerce shall jointly issue a report analyzing the inclusion of health maintenance organizations in the life and health guaranty association, the effects such inclusion has on enrollees, member insurers, and health maintenance organizations, and recommend whether to continue the inclusion.

Subd. 8. [OPEN ENROLLMENT.] The guaranty association shall not cover the obligations of enrollees who have secured alternative coverage pursuant to section 60A.082.

Sec. 26. [62D.182] [LIABILITIES.]

Every health maintenance organization shall maintain liabilities estimated in the aggregate to be sufficient to pay for all reported or unreported claims incurred, which are unpaid and for which the organization is liable. Liabilities are computed under rules adopted by the commissioner.

Sec. 27. Minnesota Statutes 1986, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.29; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. The commissioner shall have standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8, are repealed. Section 25 is repealed June 31, 1992.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 28 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets;

imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; providing for interest on unpaid charges of participating entities; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.17, by adding a subdivision; 62D.18; and 62D.19; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2138, A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Reported the same back with the following amendments:

Page 3, line 15, after "clients" insert "other than clients in acute care facilities who are receiving services not paid for by public funds"

Page 5, line 16, after the period insert "An agency, facility, or program shall not retaliate or take adverse action, as defined in section 626.557, subdivision 17, paragraph (c), against a client or other person, who in good faith makes a complaint or assists in an investigation."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2165, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; requiring rulemaking; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325E.045] [SALE OF CERTAIN POLYETHYLENE MATERIAL PROHIBITED.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to sections 1 and 2.

(a) "Nondegradable" means not capable of being decomposed by natural biological processes, including exposure to the sun's ultraviolet rays, within five years from the date of disposal.

(b) "Person" means an individual partnership, corporation, sole proprietorship, association, or other for profit or not for profit organization, including the state and its political subdivisions.

(c) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(d) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste, as defined by section 115A.03.

(e) "Public agency" means any office, agency, or institution of the state or any county, statutory or home rule charter city, town, school district, or other special taxing district.

Subd. 2. [REGULATION OF CERTAIN POLYETHELENE PRODUCTS.] (a) No person shall, on and after January 1, 1989, use, sell, or offer for sale any nondegradable polyethylene beverage ring. A person who violates this subdivision is guilty of a misdemeanor.

(b) No public agency shall, on and after January 1, 1989, purchase any polyethylene disposal bag that is nondegradable.

(c) No public agency shall on and after January 1, 1990, purchase or use a polyethylene disposal bag that is nondegradable.

Sec. 2. [DEGRADABLE PLASTICS TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on degradable plastics is created. The task force consists of the commissioners of agriculture, commerce, and the pollution control agency, the director of the waste management board, the president of the greater Minnesota corporation, the head of the consumer affairs division of the attorney general's office, and two people involved in manufacturing plastic products in Minnesota and one retailer. Representatives of other state agencies may also become members of the task force with the approval of a majority of its members.

Subd. 2. [DUTIES.] The task force shall study the feasibility and consequences of requiring that industry and consumer products, other than the items identified in section 1, subdivision 2, be biodegradable.

Subd. 3. [REPORT.] The task force shall report its findings, along with any proposed legislation the task force believes necessary, to the legislature by January 1, 1990, after which the task force expires.

Subd. 4. [ADMINISTRATION AND EXPENSES.] The task force is attached to the rural development board for administrative purposes and the board shall furnish the task force with office space and administrative assistance necessary to fulfill the duties of the task force. Members of the task force shall be paid their expenses under section 15.059.

Sec. 3. [APPROPRIATION.]

\$ is appropriated from the general fund to the rural development board for the purposes of sections 1 and 2, to be available until January 1, 1990."

Amend the title as follows:

Page 1, line 3, delete "requiring rulemaking;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2177, A bill for an act relating to advertising devices; authorizing advertising on highways of special events at state parks,

recreation areas, waysides, monuments, and trails; amending Minnesota Statutes 1986, section 173.08, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2184, A bill for an act relating to public safety; creating division of elevator inspection in the department of labor and industry; providing for duties, powers, and fees; providing for annual, statewide, certified inspections of elevators by qualified inspectors; allowing municipalities with qualified elevator inspection programs to be exempt from state inspection; prescribing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 183.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2187, A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2212, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

Reported the same back with the following amendments:

Page 2, line 13, strike "that are"

Page 2, line 14, strike everything before the period

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2214, A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1986, section 256B.501, subdivision 3, is amended to read:

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for persons with mental retardation or related conditions. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles;

(d) incentives to reward accumulation of equity; and

(e) a revaluation on sale for a facility that, for at least three years before its use as an intermediate care facility, has been used by the

seller as a single family home and been claimed by the seller as a homestead, and was not revalued immediately prior to or upon entering the medical assistance program, provided that the facility revaluation not exceed the amount permitted by the Social Security Act, section 1902(a)(13); and

(f) appeals procedures that satisfy the requirements of section 256B.50 for appeals of decisions arising from the application of standards or methods pursuant to Minnesota Rules, parts 9510.0500 to 9510.0890, 9553.0010 to 9553.0080, and 12 MCAR 2.05301 to 2.05315 (temporary).

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for persons with mental retardation or related conditions, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent."

Page 4, line 4, delete "1989" and insert "1988"

Page 4, line 22, delete "1989" and insert "1988"

Page 5, line 35, after "shall" insert "adopt rules to implement sections 6 to 9. The commissioner shall"

Page 5, line 36, delete "and adopt"

Page 6, line 1, before "rules" insert "these" and delete "necessary to implement sections 5 to 8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 6, after the comma insert "subdivision 3, and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2215, A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2220, A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [STUDY.]

The commissioner of employee relations shall conduct a study of the use of part-time employees in the executive branch workforce. In conducting the study, the commissioner must consult with exclusive representatives of state employees. The commissioner shall report the results of the study to the legislature by January 15, 1989. The report must include:

(1) the evaluation of a policy that encourages use of full-time, as opposed to part-time, executive branch employees;

(2) the circumstances under which it is essential for executive branch agencies to use part-time employees;

(3) a summary showing the percentages of employees in each executive branch appointing authority, and in each job classification with more than ten incumbents, that are full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, temporary, and emergency, as of the date that the commissioner compiles the summary. This summary must note which job classifications are male-dominated, female-dominated, and balanced;

(4) an analysis of overall trends in the use of part-time, intermittent, and temporary employees in the executive branch over the past five years, and of significant trends in the use of part-time employees in individual executive branch agencies;

(5) an evaluation of alternative methods of assuring that all state employees, whether employed full-time or part-time, have adequate hospital and medical insurance benefits; and

(6) recommendations for changes in law needed to accomplish the policies in clauses (1) and (5)."

Delete the title and insert:

"A bill for an act relating to state government; mandating a study on the use of part-time employees in the executive branch."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2221, A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2250, A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.15, subdivisions 2 and 11; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8,

and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

Reported the same back with the following amendments:

Page 3, delete sections 2 and 3

Page 12, after line 35, insert:

“Sec. 15. Minnesota Statutes 1986, section 471.992, is amended by adding a subdivision to read:

Subd. 2a. [EQUITABLE COMPENSATION RELATIONSHIPS.]
Equitable compensation relationships are established when the average compensation for female-dominated classes is equal to the average compensation for male-dominated classes of comparable skill, effort, responsibility, working conditions, and other relevant work related criteria.

Sec. 16. Minnesota Statutes 1986, section 471.998, is amended by adding a subdivision to read:

Subd. 3. [REVIEW OF STUDIES.] The commissioner of employee relations may review a study performed by a political subdivision under section 471.994 upon request. If the commissioner determines that a study does not provide an adequate basis for establishing equitable compensation relationships as required by section 471.992, the commissioner shall direct the political subdivision to make corrections necessary to provide an adequate basis.

Sec. 17. [WASTE MANAGEMENT BOARD EMPLOYEES.]

By January 1, 1989, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under Minnesota Statutes, section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred. This section does not apply to the chair of the board, the assistant to the chair, and to one confidential secretary to the board.”

Re-number sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after “sections”

Page 1, line 10, after the semicolon insert "471.992, by adding a subdivision; and 471.998, by adding a subdivision;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Local and Urban Affairs.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2251, A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1986, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

Reported the same back with the following amendments:

Page 1, line 22, delete "COLLECTIVE BARGAINING AGREEMENT" and insert "EMPLOYER/EMPLOYEE AGREEMENTS"

Page 1, line 25, before the period insert "or by mutual agreement, provided that an employer may not terminate or otherwise discipline an employee or fail to hire an applicant for refusing to waive a right under this section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2265, A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2281, A bill for an act relating to the military; providing

a state bonus for national guard service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [192.552] [NATIONAL GUARD BONUS.]

The adjutant general shall pay a state cash bonus of \$100 on or about November 1 of each year to each member of the Minnesota national guard who has served satisfactorily, as defined by the adjutant general, as an active member of the Minnesota national guard during the preceding federal fiscal year of October 1 to September 30.

Sec. 2. [192.553] [TUITION ASSISTANCE PROGRAM.]

Subdivision 1. [PROGRAM TO BE ESTABLISHED.] The adjutant general shall establish a program providing tuition reimbursement for members of the Minnesota national guard and their surviving dependents in accordance with this section.

Subd. 2. [REIMBURSEMENT PROVIDED.] (a) A member of the Minnesota national guard serving satisfactorily, as defined by the adjutant general, shall be reimbursed for tuition paid during the period of the member's service to a post-secondary education institution that is an eligible institution as defined by section 136A.15, subdivision 5, upon proof of satisfactory completion of course work.

(b) In the case of tuition paid to a public institution located in Minnesota, tuition is limited to 50 percent of the cost of tuition, except as provided in paragraph (d).

(c) In the case of tuition paid to a private institution within or without Minnesota or a public institution not in Minnesota, reimbursement is limited to 50 percent of the average tuition at the University of Minnesota, except as provided in paragraph (d).

(d) In the case of tuition paid to a public or private technical or vocational school or community college located within or without Minnesota, for a single course or limited number of courses the completion of which do not result in a degree, the full amount of tuition up to \$100 per year must be reimbursed.

Subd. 3. [DEATH BENEFIT REIMBURSEMENT.] If a member of the Minnesota national guard is killed in the line of state active duty, the state shall reimburse 100 percent of the cost of tuition for post-secondary courses satisfactorily completed by any surviving spouse and any surviving dependents who are 21 years old or

younger. Reimbursement for surviving spouses and dependents is limited in amount and duration as is reimbursement for the national guard member.

Subd. 4. [LIMITATIONS.] The maximum amount of tuition reimbursement for each eligible individual shall be determined by the adjutant general according to written criteria established within 90 days of the effective date of this section and the adjutant general may establish a time period in which a recipient must complete the education or otherwise receive reimbursement. The number of individuals receiving reimbursement is limited by the appropriation provided by the legislature.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability; and

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to six and \$1,000 for each dependent in grades seven to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of

the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(4) the amount paid under section 1 for personal services in the Minnesota national guard.

Sec. 4. [APPROPRIATION.]

\$3,500,000 is appropriated from the general fund to the adjutant general to implement sections 1 and 2, to be available until expended.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1988. Section 3 is effective for taxable years beginning after December 31, 1987."

Delete the title and insert:

"A bill for an act relating to the military; providing a state bonus for national guard service; providing tuition reimbursement to members of the national guard; appropriating money; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 192."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Education.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2283, A bill for an act relating to the military; restoring the military pay exclusion for national guard pay; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2336, A bill for an act relating to retirement; permitting an amendment to the Minneapolis teachers retirement fund articles.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2372, A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [16A.645] [COLLEGE SAVINGS BONDS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of finance, in consultation with the higher education coordinating board, shall establish a college savings bond program to encourage individuals to save for higher education costs by investing in state general obligation bonds. The program consists of (1) issuing a portion of the state general obligation bonds in zero coupon form and in denominations and maturities that will be attractive to individuals saving to pay for higher education costs, and (2) developing a program for marketing the bonds to investors who are saving to pay for higher education costs. The commissioner of finance may designate all or a portion of each state general obligation bond sale as "college savings bonds." The amount of bonds designated as college savings bonds may not exceed the amount of authorized, but previously unissued, bonds for higher education facilities. Higher education facilities include capital

projects for the University of Minnesota, the state universities, community colleges, and technical institutes.

Subd. 2. [MARKETING STUDY.] The higher education coordinating board and commissioner of finance shall conduct a study of the market for college savings bonds, including the potential demand for the bonds, characteristics of the potential buyers, provisions that would make the bonds more attractive to individuals who are saving to pay higher education costs, and other factors relevant to developing a successful plan for issuing and selling the bonds. As a part of this study, a subscription list of potential buyers of college savings bonds may be compiled.

Subd. 3. [DENOMINATIONS; MATURITIES.] The commissioner shall determine the appropriate denominations and maturities for college savings bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of \$1,000 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this section, "denomination" means the face amount of the bond, including principal and accrued interest when the bond is redeemed.

Subd. 4. [PRINCIPAL AMOUNT OF ZERO COUPON BONDS.] For purposes of the laws authorizing the issuance of bonds, in determining the principal amount of bonds issued as zero coupon bonds, only the aggregate original principal amount of the bonds must be taken into account.

Subd. 5. [TRANSFERS TO BOND FUND FOR ZERO COUPON BONDS.] If state general obligation bonds are issued in zero coupon form, the commissioner shall transfer to the debt service reserve fund on December 1 of each year the amount necessary to repay the outstanding bonds' principal and interest in equal annual installments over the life of the bonds. The amount transferred may be adjusted to reflect the investment income earned on the debt service reserve fund by the amounts transferred.

Subd. 6. [MARKETING PLAN.] The commissioner and the higher education coordinating board shall develop a plan for marketing college savings bonds. The marketing program must include appropriate disclosures to potential buyers, including information on the types of savers for whom long-term, tax-exempt bonds may not be appropriate investments.

Subd. 7. [STUDENT FINANCIAL AID.] The first \$25,000 of college savings bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state scholarship and grant program under section 136A.121, or the part-time grant program under section 136A.132.

Subd. 8. [APPROPRIATION.] The amount necessary to pay for the cost of the marketing study under subdivision 2, and the marketing plan under subdivision 6, is appropriated out of the proceeds of the college savings bonds.

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 education; authorizing the sale of college savings bonds; requiring a market study and plan; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2413, A bill for an act relating to health; establishing the Minnesota Institute for Addiction and Stress Research; proposing coding for new law as Minnesota Statutes, chapter 152A.

Reported the same back with the following amendments:

Page 2, line 11, delete from "As" through page 2, line 15, "board."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2431, A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2432, A bill for an act relating to retirement; requiring a majority vote of all members of the St. Paul police and fire department relief associations on consolidation with the public employees retirement association; amending Minnesota Statutes 1987 Supplement, section 353A.02, subdivision 17.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2448, A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; providing fines for rule violations; creating an environmental health fee account; increasing fees for restaurant, hotel, and resort licenses; appropriating money; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 145 and 157.

Reported the same back with the following amendments:

Page 2, after line 26, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

Subd. 3. [HUMAN IMMUNODEFICIENCY VIRUS EDUCATION AND RISK REDUCTION GRANTS.]

(a) The commissioner shall make special grants to community health boards to establish and maintain public education, health promotion services, and local technical assistance intended to limit the transmission of the human immunodeficiency virus. Funding may not be used for alternative testing programs or services to persons with AIDS-related illnesses.

(b) To qualify for a grant under this subdivision, the community health plan or plan revision submitted by the community health

board must contain a proposal for the delivery of education and health promotion services and local technical assistance.

:(c) Applicants must submit for approval a plan and budget for the use of funds, in the form and detail provided for in the community health plan.

(d) Funds appropriated for grants under this subdivision will be allocated as follows:

(1) 25 percent shall be distributed to community health boards in proportion to the number of counties and eligible cities;

(2) 25 percent shall be distributed to community health boards in proportion to population;

(3) 25 percent shall be distributed to community health boards in proportion to the number of reported AIDS cases; and

(4) 25 percent shall be awarded by the commissioner of health to community health boards or nonprofit corporations for statewide or community-based programs.

(e) Grants awarded to qualified programs under this subdivision shall not exceed 75 percent of the annual cost of the qualified program for the fiscal year for which the grant is awarded.

(f) Applicants must keep records, including records of expenditures to be audited as the commissioner specifies.

Sec. 5. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

Subd. 4. [ALLOCATION OF FEDERAL AIDS EDUCATION AND RISK REDUCTION FUNDS.] The commissioner of health shall apply for federal funding for AIDS education and risk reduction programs and to the maximum extent allowable under federal program provisions, allocate those funds in a manner consistent with the formula in subdivision 3."

Page 3, line 23, delete "5" and insert "7"

Page 3, line 29, delete "2, 3, 4, 5, and 6" and insert "2 to 8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after the semicolon insert "Minnesota Statutes 1987 Supplement, section 145A.14, by adding subdivisions;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2450, A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; requiring study and report to the legislature; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Reported the same back with the following amendments:

Page 3, line 3, after "of" insert "up to"

Page 3, delete lines 5 to 10

Amend the title as follows:

Page 1, line 4, delete everything after the second semicolon

Page 1, line 5, delete everything before "amending"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Judiciary.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 258, 1486, 1656, 1678, 1743, 1795, 1796, 1818, 1863, 1877, 1914, 1941, 1952, 1962, 1978, 1980, 1986, 1995, 2008, 2055, 2177, 2187, 2212, 2220, 2221, 2251, 2265, 2336, 2372, 2431 and 2432 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1594 was read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Jensen and Tompkins introduced:

H. F. No. 2583, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Pappas introduced:

H. F. No. 2584, A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

The bill was read for the first time and referred to the Committee on Commerce.

Neuenschwander introduced:

H. F. No. 2585, A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Segal introduced:

H. F. No. 2586, A bill for an act relating to drivers' licenses; providing for school bus driver training at area vocational technical institutes; amending Minnesota Statutes 1986, section 171.321, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Blatz and Vellenga introduced:

H. F. No. 2587, A bill for an act relating to adoption; permitting

independent placements; requiring a preplacement investigation in independent placements; providing for authorized expenses in connection with an adoption; prohibiting certain advertisements in connection with adoption; providing penalties; amending Minnesota Statutes 1986, sections 259.22, subdivision 2; 259.24, subdivisions 2 and 6a; 259.27, by adding subdivisions; and 259.47; proposing coding for new law in Minnesota Statutes, chapter 259.

The bill was read for the first time and referred to the Committee on Judiciary.

Trimble introduced:

H. F. No. 2588, A bill for an act relating to energy; appropriating oil overcharge money for various energy related purposes.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Frederick and Morrison introduced:

H. F. No. 2589, A bill for an act relating to human services; exempting prepaid burial contracts from asset limitations; amending Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Voss, Vanasek and Wynia introduced:

H. F. No. 2590, A bill for an act relating to property tax reform; changing property tax classifications, aids, and credits; abolishing certain levy limits; increasing the state share of financial participation in aid to families with dependent children, emergency assistance, general assistance, emergency general assistance, work readiness, Minnesota supplemental assistance, medical assistance, preadmission screening, alternative care grants, and general assistance medical care to 100 percent; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs and public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 18.023, subdivision 8; 110B.15, subdivision 4; 115.34, subdivision 1; 124.2137, subdivision 1; 134.34, subdivision 5; 164.041; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivi-

sion 1; 273.135, subdivision 5; 273.1391, subdivision 4; 275.14; 275.15; 275.16; 279.01, as amended; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 393.07, subdivision 2; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 465.73; 471.1921; 471.572, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F.08, subdivision 3a; 475.74; 475.754; 477A.011, subdivisions 6, 10, 11, and by adding subdivisions; and 477A.012, subdivision 2; Minnesota Statutes 1987 Supplement, sections 38.27, subdivision 3; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 129A.06, subdivision 2; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.123, subdivisions 1, 4, 5, and 7; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, 25, and 31; 273.1392; 273.1393; 273.42, subdivision 2; 275.50, subdivision 2; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2 and 2a; 393.07, subdivision 10; 412.251; 447.34, subdivision 1; 447.35; 469.107; 471.74, subdivision 2; 473.446, subdivision 1; 473.8441, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; and 477A.013, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256 and 273; amending Laws 1987, chapter 268, article 6, sections 19 and 53; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 275.11; 275.50, as amended; 275.51, as amended; 275.54; 275.55; 275.56; 275.561; 275.58; 383C.552; 471A.04; and 477A.011, subdivisions 3a, 4, 5, 7a, 13, and 14; Minnesota Statutes 1987 Supplement, sections 245.775; 256D.22; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290A.04, subdivision 2b; 477A.011, subdivision 7; and 477A.012, subdivision 1; Laws 1987, chapter 268, article 5, section 4.

The bill was read for the first time and referred to the Committee on Taxes.

Johnson, R.; Cooper; Dauner; Pelowski and Dorn introduced:

H. F. No. 2591, A bill for an act relating to taxation; changing property tax classifications; establishing equalization aids for municipalities and counties; modifying school aids and levies; providing state payment of income maintenance programs; changing property tax refund schedules; abolishing certain aids and credits; appropriating money; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256B.041, subdivision 5; 256D.03, subdivision 6; 256D.36, subdivision 1; 273.13, by adding subdivisions; 273.40; 279.01, as amended; 290A.03, by adding subdivisions; 290A.23; 477A.011, subdivisions

11, 13, and by adding subdivisions; and 477A.012, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 124.155, subdivision 2; 124.2131, subdivision 1; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 256D.37, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.07, subdivisions 1 and 2; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.1102, subdivision 2; 273.1104, subdivision 1; 273.123, subdivisions 1, 4, and 5; 273.124, subdivisions 8, 11, and 13; 273.1392; 273.1393; 273.165, subdivision 2; 275.50, subdivisions 2 and 5; 275.51, subdivision 3h; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivision 2; 473.446, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; 477A.011, subdivision 7; 477A.012, subdivision 1; and 477A.013; proposing coding for new law in Minnesota Statutes, chapters 124; 273; and 477A; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 477A.011, subdivisions 4, 5, 6, 7a, 10, 12, and 14; and 477A.03, subdivision 1; Minnesota Statutes 1987 Supplement, sections 124.2131, subdivision 2; 245.775; 256D.22; 256G.05, subdivision 1; 256G.07, subdivision 4; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.125, subdivision 22; 290A.04, subdivisions 2a and 2b; and 477A.013, subdivision 2; Laws 1987, chapters 268, article 5, section 4; and 291, section 208.

The bill was read for the first time and referred to the Committee on Taxes.

Bauerly and Peterson introduced:

H. F. No. 2592, A bill for an act relating to elections; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1987 Supplement, section 206.80.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Bauerly, Tunheim and Bertram introduced:

H. F. No. 2593, A bill for an act relating to well abandonment; authorizing cost sharing funds; amending Minnesota Statutes 1986, sections 40.036, subdivision 1; 40.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Carruthers, Kelly and Vellenga introduced:

H. F. No. 2594, A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 8; 388; 609; and 626A.

The bill was read for the first time and referred to the Committee on Judiciary.

Trimble; Nelson, K., and McEachern introduced:

H. F. No. 2595, A bill for an act relating to education; requiring a community based instruction program relating to the family life experience; establishing a student-at-risk program; authorizing additional school aid for schools with minor parents in attendance; requiring certain schools to provide a social worker for minor parents and pregnant minors; authorizing additional transportation aid for transportation of minor parents and their children; amending Minnesota Statutes 1986, sections 124.17, by adding a subdivision; and 124.19, subdivision 6, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 124.223; 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.

McLaughlin, Dawkins, Pauly, Swenson and Jefferson introduced:

H. F. No. 2596, A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from small businesses and businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9, and by adding a subdivision; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new

law in Minnesota Statutes, chapters 3 and 473; repealing Minnesota Statutes 1986, section 473.556, subdivision 14.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Solberg and Brown introduced:

H. F. No. 2597, A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Price and McEachern introduced:

H. F. No. 2598, A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory and review board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the renewal, suspension, and revocation of licenses; providing fees; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 82B.

The bill was read for the first time and referred to the Committee on Commerce.

Clausnitzer introduced:

H. F. No. 2599, A bill for an act relating to elections; eliminating the requirement that state agencies assist in voter registration; repealing Minnesota Statutes 1987 Supplement, section 201.162.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Anderson, G.; Price; Segal; Dorn and Wynia introduced:

H. F. No. 2600, A bill for an act relating to education; proposing an amendment to the Minnesota Constitution, article XIII, section 3; providing for the election of regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137; repealing Minnesota Statutes 1986, sections 137.023; and 137.024.

The bill was read for the first time and referred to the Committee on Higher Education.

Clausnitzer introduced:

H. F. No. 2601, A bill for an act relating to workers' compensation; excluding certain fringe benefits and annuity payments from premium computations; amending Minnesota Statutes 1986, section 79.211, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Clausnitzer introduced:

H. F. No. 2602, A bill for an act relating to day care; exempting family and group family day care providers from building code requirements; authorizing low interest loans; requiring a newsletter; requiring promotion of day care services; increasing the department of human services complement for enforcing licensing requirements; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 268.911, subdivision 1, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Knuth introduced:

H. F. No. 2603, A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

The bill was read for the first time and referred to the Committee on Agriculture.

Frederick; Johnson, V.; DeRaad; Marsh and Stanius introduced:

H. F. No. 2604, A bill for an act relating to education; temporarily modifying the average cost funding formula for the state universities and community colleges.

The bill was read for the first time and referred to the Committee on Higher Education.

Bertram, Wenzel, Neuenschwander and Hartle introduced:

H. F. No. 2605, A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Richter, Sparby and Uphus introduced:

H. F. No. 2606, A bill for an act relating to traffic regulations; allowing pickup trucks to pull two trailers of hay under certain conditions; amending Minnesota Statutes 1986, section 169.81, subdivision 10.

The bill was read for the first time and referred to the Committee on Transportation.

Bauerly introduced:

H. F. No. 2607, A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

The bill was read for the first time and referred to the Committee on Agriculture.

Bauerly introduced:

H. F. No. 2608, A bill for an act relating to agriculture; authorizing designation of additional seed certification agencies; amending Minnesota Statutes 1986, section 21.91, subdivision 1.

The bill was read for the first time and referred to the Committee on Agriculture.

Otis, Carlson, L.; Wenzel; Anderson, G., and Olsen, S., introduced:

H. F. No. 2609, A bill for an act relating to financial institutions; authorizing state banks to engage in certain securities activities; permitting state banks to invest in certain corporations and to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules and issue orders regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1986, sections 48.15, by adding a subdivision; and 48.61, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Heap introduced:

H. F. No. 2610, A bill for an act relating to the environment; prohibiting the sale of certain plastic containers; providing penalties; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kludt and Jaros introduced:

H. F. No. 2611, A bill for an act relating to elections; clarifying prohibition against creating a precinct that lies in more than one legislative district; amending Minnesota Statutes 1987 Supplement, section 204B.14, subdivision 3.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Kludt, Bertram and Lasley introduced:

H. F. No. 2612, A bill for an act relating to state agencies; making statutory changes required by executive reorganization orders; amending Minnesota Statutes 1986, sections 43A.23, subdivision 3; 115A.906; 115A.912; and 115A.914; Minnesota Statutes 1987 Supplement, sections 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1987 Supplement, sections 116.55; and 116M.07, subdivision 14.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Dawkins, Pauly, Pappas, Swenson and Wynia introduced:

H. F. No. 2613, A resolution memorializing the Congress of the United States to ratify the Genocide Treaty.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Trimble, Kelly and Price introduced:

H. F. No. 2614, A bill for an act relating to utilities; requiring the public utilities commission to transfer a certain telephone exchange from one rate tier to another.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Tompkins, Ogren, Ozment, Milbert and Morrison introduced:

H. F. No. 2615, A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Kinkel introduced:

H. F. No. 2616, A bill for an act relating to game and fish; setting the opening of the season for taking fish by angling; amending Minnesota Statutes 1986, section 97C.395, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Bishop, Long, Dempsey and Kelly introduced:

H. F. No. 2617, A bill for an act relating to drivers' licenses; requiring destruction of records of revocation or suspension when rescinded; amending Minnesota Statutes 1986, section 171.12, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Judiciary.

Bauerly introduced:

H. F. No. 2618, A bill for an act relating to commerce; securities; changing certain disclosure requirements relating to charitable solicitations; amending Minnesota Statutes 1987 Supplement, section 309.556, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 309.556, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce.

Olson, K.; Cooper; Anderson, G.; Sparby and Redalen introduced:

H. F. No. 2619, A bill for an act relating to agriculture; reappropriating money remaining in the 1987 interest buy-down program.

The bill was read for the first time and referred to the Committee on Agriculture.

Dorn, Rodosovich, Kelso and Welle introduced:

H. F. No. 2620, A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 129A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Bertram, Bauerly, Dauner, Winter and Steensma introduced:

H. F. No. 2621, A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

The bill was read for the first time and referred to the Committee on Taxes.

Rukavina; Johnson, R., and Simoneau introduced:

H. F. No. 2622, A bill for an act relating to retirement; teachers retirement association; authorizing certain refund repayments; amending Minnesota Statutes 1986, section 354.50, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Reding introduced:

H. F. No. 2623, A bill for an act relating to retirement; Minnesota state retirement system; optional annuities; average salary compu-

tation; disability benefits; survivor benefits; amending Minnesota Statutes 1986, sections 353.30, by adding a subdivision; and 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Jaros introduced:

H. F. No. 2624, A bill for an act relating to education; conditioning University of Minnesota appropriations on having a financial audit done.

The bill was read for the first time and referred to the Committee on Higher Education.

Jaros introduced:

H. F. No. 2625, A bill for an act relating to education; appropriating money to the higher education coordinating board, University of Minnesota, and state board of vocational technical education.

The bill was read for the first time and referred to the Committee on Higher Education.

Simoneau introduced:

H. F. No. 2626, A bill for an act relating to taxation; motor vehicle excise; exempting motor vehicles used for training purposes by certain educational institutions; amending Minnesota Statutes 1987 Supplement, section 297B.03.

The bill was read for the first time and referred to the Committee on Taxes.

Kelso introduced:

H. F. No. 2627, A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Segal introduced:

H. F. No. 2628, A bill for an act relating to education; establishing an AIDS education program in post-secondary institutions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the first time and referred to the Committee on Higher Education.

Begich, Battaglia, Minne, Rukavina and Solberg introduced:

H. F. No. 2629, A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Knickerbocker; Olsen, S., and Shaver introduced:

H. F. No. 2630, A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Gruenes, Bertram, Marsh and Omann introduced:

H. F. No. 2631, A bill for an act relating to taxation; providing an exemption from the sales tax for materials and equipment purchased in connection with the expansion of certain manufacturing plants; proposing coding for new law in Minnesota Statutes, chapter 297A.

The bill was read for the first time and referred to the Committee on Taxes.

Reding introduced:

H. F. No. 2632, A bill for an act relating to charitable gambling; licensing lessors of gambling devices; authorizing and regulating the use of video pull-tab devices at certain locations; regulating wholesalers and distributors of these devices; providing a tax; amending Minnesota Statutes 1986, sections 349.12, by adding a

subdivision; 349.161, subdivisions 1 and 2; 349.162, subdivision 2; 349.163, subdivisions 1, 3, and by adding subdivisions; 349.211, subdivision 2a; 349.212, by adding a subdivision; 349.2121, subdivision 1; and 349.30, subdivision 2; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 15; 349.161, subdivisions 3 and 5; 349.212, subdivision 4; 349.2121, subdivision 4a and 10; and 349.2122; proposing coding for new law in Minnesota Statutes, chapter 349.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Thiede introduced:

H. F. No. 2633, A bill for an act relating to state lands; creating the Paul Bunyan Trail; authorizing the use of previously appropriated state bond revenues to purchase land for a state trail; appropriating money; amending Minnesota Statutes 1986, section 85.015, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Tjornhom, Omann, Uphus, Boo and Minne introduced:

H. F. No. 2634, A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Uphus introduced:

H. F. No. 2635, A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Milbert introduced:

H. F. No. 2636, A bill for an act relating to motor vehicles; defining terms; imposing licensing conditions related to places of business of

motor vehicle dealers; amending Minnesota Statutes 1986, section 168.27, subdivisions 1, 10, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation.

Tompkins, Kelso and Ozment introduced:

H. F. No. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carlson, D., introduced:

H. F. No. 2638, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Clausnitzer introduced:

H. F. No. 2639, A bill for an act relating to taxation; providing for computation of the metropolitan transit tax reduction for certain cities and towns; amending Minnesota Statutes 1986, section 473.446, subdivision 1.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Schreiber, Stanius, Gruenes, Rodosovich and Vellenga introduced:

H. F. No. 2640, A bill for an act relating to health; requiring hospitals to notify physicians and patients before destroying medical records; amending Minnesota Statutes 1986, section 145.32, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olson, K., Tunheim and Winter introduced:

H. F. No. 2641, A bill for an act relating to education; allowing

three districts to form an education district upon state board approval; amending Minnesota Statutes 1987 Supplement, section 122.91, subdivision 3.

The bill was read for the first time and referred to the Committee on Education.

Jefferson; Johnson, A.; Wynia and Carlson, D., introduced:

H. F. No. 2642, A bill for an act relating to metropolitan government; permitting the acquisition of certain open space property.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Clark and Simoneau introduced:

H. F. No. 2643, A bill for an act relating to marriage dissolution; regulating division of pensions and retirement assets; amending Minnesota Statutes 1987 Supplement, sections 356.80, subdivisions 1 and 3; 518.58, subdivision 1; and 518.581, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced:

H. F. No. 2644, A bill for an act relating to food products; enacting certain labeling, licensing, and packaging requirements for naturally grown wild and paddy grown rice; amending Minnesota Statutes 1986, section 84.152; proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1986, section 30.49.

The bill was read for the first time and referred to the Committee on Commerce.

Reding introduced:

H. F. No. 2645, A bill for an act relating to retirement; public employees retirement association; providing for the restoration of a normal annuity upon the death of a designated beneficiary to a retired or disabled member who had selected a joint and survivor annuity; increasing the retirement annuity formula for police officer and firefighter members; providing for early retirement at full annuity under certain conditions; regulating nonduty disability benefits; amending Minnesota Statutes 1986, sections 353.30, by

adding a subdivision; 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel; Sparby; Nelson, C., and Winter introduced:

H. F. No. 2646, A bill for an act relating to agriculture; allowing participation by the rural finance administration in seller-sponsored loans to certain farmers; allowing combination of programs by certain farmers; establishing a foreign trade office in the Federal Republic of West Germany; establishing a program to provide milk to certain school pupils; providing supplemental funding for certain secondary vocational agricultural programs; appropriating money; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and by adding a subdivision; and 41B.05; proposing coding for new law in Minnesota Statutes, chapters 116J and 124.

The bill was read for the first time and referred to the Committee on Agriculture.

Waltman introduced:

H. F. No. 2647, A bill for an act relating to motor vehicles; providing for special license plates; 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.

Vellenga introduced:

H. F. No. 2648, A bill for an act relating to retirement; authorizing payment of survivor benefits to the divorced former spouse of 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.

Clark and Sviggum introduced:

H. F. No. 2649, A bill for an act relating to vocational rehabilita-

tion; regulating community based employment program services; appropriating money; amending Minnesota Statutes 1987 Supplement, section 129A.08, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Vellenga introduced:

H. F. No. 2650, A bill for an act relating to state government; removing the expiration date of the governor's residence council and making the council permanent; amending Minnesota Statutes 1986, section 16B.27, subdivision 3.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Carruthers, Milbert and Solberg introduced:

H. F. No. 2651, A bill for an act relating to taxation; income; allowing an option to take a pension exclusion or the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; 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.

McEachern introduced:

H. F. No. 2652, A bill for an act relating to education; providing for grants to parent-to-parent support programs; appropriating money; amending Minnesota Statutes 1986, section 120.17, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Education.

Orenstein introduced:

H. F. No. 2653, A bill for an act relating to natural resources; designating the fossil of the castoroides ohioensis as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Simoneau introduced:

H. F. No. 2654, A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Rukavina and Battaglia introduced:

H. F. No. 2655, A bill for an act relating to horseracing; allowing for the simulcasting of horse races under certain conditions; amending Minnesota Statutes 1986, section 240.13, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Pappas introduced:

H. F. No. 2656, A bill for an act relating to human services; regulating location of residential and other facilities; prohibiting further concentration of facilities; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 4, and by adding subdivisions.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Johnson, R.; Tunheim and Kinkel introduced:

H. F. No. 2657, A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1986, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Battaglia and Kostohryz introduced:

H. F. No. 2658, A bill for an act relating to veterans; requiring the establishment of a veterans home in Silver Bay; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Jensen, Kelso and Vanasek introduced:

H. F. No. 2659, A bill for an act relating to Scott county; authorizing the issuance of general obligation or revenue bonds; amending Laws 1987, chapter 285, section 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Clausnitzer introduced:

H. F. No. 2660, A bill for an act relating to workers' compensation; providing that small business owners can be excluded from coverage; amending Minnesota Statutes 1987 Supplement, section 176.041, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Johnson, A., introduced:

H. F. No. 2661, A bill for an act relating to housing; providing the right of first refusal to manufactured home park residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

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. 1622, 1711, 1715 and 1710.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1622, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

S. F. No. 1711, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

The bill was read for the first time.

Ogren moved that S. F. No. 1711 and H. F. No. 1986, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1715, A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

The bill was read for the first time.

Ogren moved that S. F. No. 1715 and H. F. No. 1942, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1710, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

The bill was read for the first time.

Simoneau moved that S. F. No. 1710 and H. F. No. 2212, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR.

H. F. No. 1755 was reported to the House.

Lasley requested that H. F. No. 1755 be placed at the bottom of the Consent Calendar.

H. F. No. 1832, A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

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.	Forsythe	Krueger	Onnen	Seaberg
Anderson, R.	Frederick	Larsen	Orenstein	Segal
Battaglia	Frerichs	Lasley	Osthoff	Shaver
Bauerly	Greenfield	Lieder	Otis	Simoneau
Beard	Gruenes	Long	Ozment	Skoglund
Begich	Gutknecht	Marsh	Pappas	Solberg
Bennett	Hartle	McDonald	Pauly	Sparby
Bertram	Haukoos	McEachern	Pelowski	Stanius
Bishop	Heap	McKasy	Peterson	Steenasma
Blatz	Himle	McPherson	Poppenhagen	Sviggum
Boo	Hugoson	Milbert	Price	Swenson
Brown	Jacobs	Miller	Quinn	Thiede
Burger	Jaros	Minne	Quist	Tjornhom
Carlson, D.	Jefferson	Morrison	Redalen	Tompkins
Carlson, L.	Jensen	Munger	Reding	Trimble
Carruthers	Johnson, R.	Murphy	Rest	Tunheim
Clark	Johnson, V.	Nelson, C.	Richter	Uphus
Clausnitzer	Kalis	Nelson, D.	Riveness	Valento
Cooper	Kelly	Nelson, K.	Rodosovich	Voss
Dauner	Kelso	Neuenschwander	Rose	Wagenius
Dawkins	Kinkel	O'Connor	Rukavina	Waltman
Dempsey	Kludt	Ogren	Sarna	Welle
DeRaad	Knickerbocker	Olson, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1868, A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Krueger	Orenstein	Seaberg
Battaglia	Frerichs	Larsen	Osthoff	Segal
Bauerly	Gruenes	Lasley	Otis	Shaver
Beard	Gutknecht	Lieder	Ozment	Simoneau
Begich	Hartle	Long	Pappas	Skoglund
Bennett	Haukoos	Marsh	Pauly	Solberg
Bertram	Heap	McDonald	Pelowski	Sparby
Blatz	Himle	McEachern	Peterson	Stanius
Boo	Hugoson	McKasy	Poppenhagen	Steensma
Brown	Jacobs	McPherson	Price	Sviggum
Burger	Jaros	Milbert	Quinn	Swenson
Carlson, D.	Jefferson	Miller	Quist	Thiede
Carlson, L.	Jennings	Minne	Redalen	Tjornhom
Carruthers	Jensen	Morrison	Reding	Tompkins
Clark	Johnson, A.	Munger	Rest	Trimble
Clausnitzer	Johnson, R.	Murphy	Rice	Tunheim
Cooper	Johnson, V.	Nelson, C.	Richter	Uphus
Dauner	Kalis	Nelson, D.	Riveness	Valento
Dawkins	Kelly	Nelson, K.	Rodosovich	Voss
DeBlieck	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olson, E.	Sarna	Welle
Dille	Knickerbocker	Olson, K.	Schafer	Wenzel
Dorn	Knuth	Omann	Scheid	Winter
Forsythe	Kostohryz	Onnen	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1884, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Burger	Dempsey	Haukoos	Johnson, R.
Battaglia	Carlson, D.	DeRaad	Heap	Johnson, V.
Bauerly	Carlson, L.	Dille	Himle	Kalis
Beard	Carruthers	Dorn	Hugoson	Kelly
Begich	Clark	Forsythe	Jacobs	Kelso
Bennett	Clausnitzer	Frederick	Jaros	Kinkel
Bertram	Cooper	Frerichs	Jefferson	Kludt
Blatz	Dauner	Greenfield	Jennings	Knickerbocker
Boo	Dawkins	Gruenes	Jensen	Knuth
Brown	DeBlieck	Hartle	Johnson, A.	Kostohryz

Krueger	Murphy	Pauly	Rukavina	Thiede
Larsen	Nelson, C.	Pelowski	Sarna	Tjornhom
Lasley	Nelson, D.	Peterson	Schafer	Tompkins
Lieder	Nelson, K.	Poppenhagen	Scheid	Trimble
Long	O'Connor	Price	Schreiber	Tunheim
Marsh	Ogren	Quinn	Seaberg	Uphus
McDonald	Olson, E.	Quist	Segal	Valento
McEachern	Olson, K.	Redalen	Simoneau	Voss
McKasy	Omamm	Reding	Skoglund	Wagenius
McPherson	Onnen	Rest	Solberg	Waltman
Milbert	Orenstein	Rice	Sparby	Welle
Miller	Osthoff	Richter	Stanisus	Wenzel
Minne	Otis	Rivenness	Steenasma	Winter
Morrison	Ozment	Rodosovich	Sviggum	Wynia
Munger	Pappas	Rose	Swenson	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1912, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Olson, K.	Schafer
Anderson, R.	Frederick	Krueger	Omamm	Scheid
Battaglia	Frerichs	Larsen	Onnen	Schreiber
Bauerly	Greenfield	Lasley	Orenstein	Seaberg
Beard	Gruenes	Lieder	Osthoff	Segal
Begich	Hartle	Long	Otis	Simoneau
Bennett	Haukoos	Marsh	Ozment	Skoglund
Bertram	Heap	McDonald	Pappas	Sparby
Blatz	Himle	McEachern	Pauly	Stanisus
Boo	Hugoson	McKasy	Pelowski	Steenasma
Brown	Jacobs	McLaughlin	Peterson	Sviggum
Burger	Jaros	McPherson	Poppenhagen	Swenson
Carlson, D.	Jefferson	Milbert	Price	Thiede
Carlson, L.	Jennings	Miller	Quinn	Tjornhom
Carruthers	Jensen	Minne	Quist	Tompkins
Clark	Johnson, A.	Morrison	Redalen	Trimble
Clausnitzer	Johnson, R.	Munger	Reding	Tunheim
Cooper	Johnson, V.	Murphy	Rest	Uphus
Dauner	Kalis	Nelson, C.	Rice	Valento
Dawkins	Kelly	Nelson, D.	Richter	Voss
DeBlieck	Kelso	Nelson, K.	Rivenness	Wagenius
Dempsey	Kinkel	Neuenschwander	Rodosovich	Waltman
DeRaad	Kludt	O'Connor	Rose	Wenzel
Dille	Knickerbocker	Ogren	Rukavina	Winter
Dorn	Knuth	Olson, E.	Sarna	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1922 was reported to the House.

Upon objection of ten members, H. F. No. 1922 was stricken from the Consent Calendar and returned to General Orders.

H. F. No. 1926 was reported to the House.

There being no objection, H. F. No. 1926 was continued on the Consent Calendar for one day.

H. F. No. 1943, A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

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.	Ferichs	Larsen	Osthoff	Shaver
Anderson, R.	Greenfield	Lasley	Otis	Simoneau
Battaglia	Gruenes	Lieder	Ozment	Skoglund
Bauerly	Gutknecht	Long	Pappas	Solberg
Beard	Hartle	Marsh	Pauly	Sparby
Begich	Haukoos	McEachern	Pelowski	Stanius
Bennett	Heap	McKasy	Peterson	Steensma
Bertram	Himle	McLaughlin	Poppenhagen	Sviggum
Blatz	Hugoson	McPherson	Price	Swenson
Boo	Jacobs	Milbert	Quinn	Thiede
Brown	Jaros	Miller	Quist	Tjornhom
Burger	Jefferson	Minne	Redalen	Tompkins
Carlson, D.	Jennings	Morrison	Reding	Trimble
Carlson, L.	Jensen	Munger	Rest	Tunheim
Carruthers	Johnson, A.	Murphy	Rice	Uphus
Clark	Johnson, R.	Nelson, C.	Richter	Valento
Cooper	Johnson, V.	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBlieck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kinkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olson, E.	Schafer	Winter
Dille	Knickerbocker	Olson, K.	Scheid	Wynia
Dorn	Knuth	Omann	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Seaberg	
Frederick	Krueger	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 1999, A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections

183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Osthoff	Simoneau
Anderson, R.	Frerichs	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Ozment	Solberg
Bauerly	Gruenes	Long	Pappas	Sparby
Beard	Gutknecht	Marsh	Pauly	Stanius
Begich	Hartle	McDonald	Pelowski	Steensma
Bennett	Haukoos	McEachern	Peterson	Sviggum
Bertram	Heap	McKasy	Poppenhagen	Swenson
Bishop	Himle	McLaughlin	Price	Thiede
Blatz	Hugoson	McPherson	Quinn	Tjornhom
Boo	Jacobs	Milbert	Quist	Tompkins
Brown	Jaras	Miller	Redalen	Trimble
Burger	Jefferson	Minne	Reding	Tunheim
Carlson, D.	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Wagenius
Cooper	Kalis	Nelson, K.	Rose	Waltman
Dauner	Kelly	Neuenschwander	Rukavina	Welle
Dawkins	Kelso	O'Connor	Sarna	Wenzel
DeBlieck	Kinkel	Ogren	Schafer	Winter
Dempsey	Kludt	Olson, E.	Scheid	Wynia
DeRaad	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dille	Knuth	Omann	Seaberg	
Dorn	Kostohryz	Onnen	Segal	
Forsythe	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner

Dawkins	Johnson, A.	Minne	Poppenhagen	Solberg
DeBlieck	Johnson, R.	Morrison	Price	Sparby
Dempsey	Johnson, V.	Munger	Quinn	Stanius
DeRaad	Kalis	Murphy	Quist	Steenasma
Dille	Kelly	Nelson, C.	Redalen	Sviggum
Dorn	Kelso	Nelson, D.	Reding	Swenson
Forsythe	Kinkel	Nelson, K.	Rest	Thiede
Frederick	Kludt	Neuenschwander	Rice	Tjornhom
Frerichs	Knickerbocker	O'Connor	Richter	Tompkins
Greenfield	Knuth	Ogren	Riveness	Trimble
Gruenes	Krueger	Olson, E.	Rodosovich	Tunheim
Gutknecht	Larsen	Olson, K.	Rose	Uphus
Hartle	Lasley	Omann	Rukavina	Valento
Haukoos	Lieder	Onnen	Sarna	Vellenga
Heap	Long	Orenstein	Schafer	Voss
Himle	Marsh	Osthoff	Scheid	Wagenius
Hugoson	McDonald	Otis	Schreiber	Waltman
Jacobs	McEachern	Ozment	Seaberg	Welle
Jaros	McKasy	Pappas	Segal	Wenzel
Jefferson	McLaughlin	Pauly	Shaver	Winter
Jennings	McPherson	Pelowski	Simoneau	Wynia
Jensen	Milbert	Peterson	Skoglund	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

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, R.	Frerichs	Lasley	Ozment	Sviggum
Battaglia	Greenfield	Lieder	Pauly	Swenson
Bauerly	Gruenes	Long	Pelowski	Thiede
Beard	Gutknecht	Marsh	Peterson	Tjornhom
Begich	Hartle	McDonald	Poppenhagen	Tompkins
Bennett	Haukoos	McEachern	Price	Trimble
Bertram	Heap	McKasy	Quinn	Tunheim
Bishop	Hugoson	McLaughlin	Quist	Uphus
Blatz	Jacobs	McPherson	Redalen	Valento
Brown	Jaros	Milbert	Reding	Vellenga
Burger	Jefferson	Miller	Rest	Voss
Carlson, D.	Jennings	Minne	Richter	Wagenius
Carlson, L.	Jensen	Morrison	Riveness	Waltman
Carruthers	Johnson, A.	Munger	Rodosovich	Welle
Clark	Johnson, R.	Murphy	Rose	Wenzel
Clausnitzer	Johnson, V.	Nelson, C.	Rukavina	Winter
Cooper	Kalis	Nelson, D.	Schafer	Wynia
Dauner	Kelly	Nelson, K.	Scheid	Spk. Vanasek
Dawkins	Kelso	O'Connor	Schreiber	
DeBlieck	Kinkel	Ogren	Seaberg	
Dempsey	Kludt	Olson, E.	Shaver	
DeRaad	Knickerbocker	Olson, K.	Skoglund	
Dille	Knuth	Omann	Solberg	
Dorn	Kostohryz	Onnen	Sparby	
Forsythe	Krueger	Orenstein	Stanius	
Frederick	Larsen	Osthoff	Steenasma	

The bill was passed and its title agreed to.

H. F. No. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz.	Omamm	Schreiber
Anderson, R.	Frederick	Larsen	Onnen	Seaberg
Battaglia	Frerichs	Lasley	Orenstein	Segal
Bauerly	Greenfield	Lieder	Osthoff	Shaver
Beard	Gruenes	Long	Otis	Simoneau
Begich	Gutknecht	Marsh	Ozment	Skoglund
Bennett	Hartle	McDonald	Pauly	Solberg
Bertram	Haukoos	McEachern	Pelowski	Sparby
Bishop	Heap	McKasy	Peterson	Stanius
Blatz	Himle	McLaughlin	Poppenhagen	Steensma
Boo	Hugoson	McPherson	Price	Sviggum
Brown	Jacobs	Milbert	Quinn	Swenson
Burger	Jaros	Miller	Quist	Thiede
Carlson, D.	Jefferson	Minne	Redalen	Tjornhom
Carlson, L.	Jennings	Morrison	Reding	Tompkins
Clark	Jensen	Munger	Rest	Tunheim
Clausnitzer	Johnson, A.	Murphy	Rice	Uphus
Cooper	Johnson, R.	Nelson, C.	Richter	Valento
Dauner	Johnson, V.	Nelson, D.	Riveness	Vellenga
Dawkins	Kalis	Nelson, K.	Rodosovich	Voss
DeBlieck	Kelso	Neuenschwander	Rose	Wagenius
Dempsey	Kinkel	O'Connor	Rukavina	Waltman
DeRaad	Kludd	Ogren	Sarna	Welle
Dille	Knickerbocker	Olson, E.	Schafer	Wenzel
Dorn	Knuth	Olson, K.	Scheid	Winter
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2270, A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

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, R.	Frederick	Lasley	Otis	Skoglund
Battaglia	Frerichs	Lieder	Ozment	Solberg
Bauerly	Greenfield	Long	Pauly	Sparby
Beard	Gruenes	Marsh	Pelowski	Stanius
Begich	Gutknecht	McDonald	Peterson	Steensma
Bennett	Hartle	McEachern	Popenhagen	Sviggum
Bertram	Haukoos	McKasy	Price	Swenson
Bishop	Heap	McLaughlin	Quinn	Thiede
Blatz	Hugoson	McPherson	Quist	Tjornhom
Boo	Jacobs	Milbert	Redalen	Tompkins
Brown	Jaros	Miller	Reding	Trimble
Burger	Jefferson	Minne	Rest	Tunheim
Carlson, D.	Jennings	Morrison	Rice	Uphus
Carlson, L.	Jensen	Munger	Richter	Valento
Carruthers	Johnson, A.	Murphy	Riveness	Vellenga
Clark	Johnson, R.	Nelson, C.	Rodosovich	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rose	Wagenius
Cooper	Kalis	Nelson, K.	Rukavina	Waltman
Dauner	Kelso	Neuenschwander	Sarna	Welle
Dawkins	Kinkel	O'Connor	Schafer	Wenzel
DeBlieck	Kludt	Ogren	Scheid	Winter
Dempsey	Knickerbocker	Olson, E.	Schreiber	Wynia
DeRaad	Knuth	Olson, K.	Seaberg	Spk. Vanasek
Dille	Kostohryz	Omann	Segal	
Dorn	Krueger	Onnen	Shaver	
Forsythe	Larsen	Orenstein	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Jensen	McLaughlin	Ozment
Anderson, R.	DeBlieck	Johnson, A.	McPherson	Pauly
Battaglia	Dempsey	Johnson, R.	Milbert	Pelowski
Bauerly	DeRaad	Johnson, V.	Miller	Peterson
Beard	Dille	Kalis	Minne	Popenhagen
Begich	Dorn	Kelly	Morrison	Price
Bennett	Forsythe	Kelso	Murphy	Quinn
Bertram	Frederick	Kinkel	Nelson, C.	Quist
Bishop	Frerichs	Kludt	Nelson, D.	Redalen
Blatz	Greenfield	Knickerbocker	Nelson, K.	Reding
Boo	Gruenes	Knuth	Neuenschwander	Rest
Brown	Gutknecht	Kostohryz	O'Connor	Rice
Burger	Hartle	Krueger	Ogren	Richter
Carlson, D.	Haukoos	Larsen	Olson, E.	Riveness
Carlson, L.	Heap	Lasley	Olson, K.	Rodosovich
Carruthers	Hugoson	Lieder	Omann	Rose
Clark	Jacobs	Long	Onnen	Rukavina
Clausnitzer	Jaros	Marsh	Orenstein	Sarna
Cooper	Jefferson	McEachern	Osthoff	Schafer
Dauner	Jennings	McKasy	Otis	Scheid

Schreiber	Solberg	Thiede	Vellenga	Winter
Seaberg	Sparby	Tjornhom	Voss	Wynia
Segal	Stanius	Trimble	Wagenius	Spk. Vanasek
Shaver	Steensma	Tunheim	Waltman	
Simoneau	Sviggum	Uphus	Welle	
Skoglund	Swenson	Valento	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 1755 was reported to the House.

Lasley moved that H. F. No. 1755 be returned to General Orders. The motion prevailed.

CALENDAR

S. F. No. 537, A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, 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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kludt	Neuenschwander	Rodosovich
Anderson, R.	Forsythe	Knickerbocker	O'Connor	Rose
Battaglia	Frederick	Knuth	Ogren	Rukavina
Bauerly	Frerichs	Kostohryz	Olson, E.	Sarna
Beard	Greenfield	Krueger	Olson, K.	Schafer
Begich	Gruenes	Larsen	Omann	Scheid
Bennett	Gutknecht	Lasley	Onnen	Schreiber
Bertram	Hartle	Lieder	Orenstein	Seaberg
Bishop	Haukoos	Long	Osthoff	Segal
Blatz	Heap	Marsh	Otis	Shaver
Boo	Himle	McDonald	Ozment	Simoneau
Brown	Hugoson	McEachern	Pauly	Skoglund
Burger	Jacobs	McKasy	Pelowski	Solberg
Carlson, D.	Jaros	McLaughlin	Peterson	Sparby
Carlson, L.	Jefferson	McPherson	Poppenhagen	Stanius
Carruthers	Jennings	Milbert	Price	Steensma
Clark	Jensen	Miller	Quinn	Sviggum
Clausnitzer	Johnson, A.	Minne	Quist	Swenson
Cooper	Johnson, R.	Morrison	Redalen	Thiede
Dauner	Johnson, V.	Munger	Reding	Tjornhom
Dawkins	Kalis	Murphy	Rest	Tompkins
DeBlieck	Kelly	Nelson, C.	Rice	Trimble
DeRaad	Kelso	Nelson, D.	Richter	Tunheim
Dille	Kinkel	Nelson, K.	Riverness	Uphus

Valento
Vellenga

Voss
Wagenius

Waltman
Welle

Wenzel
Winter

Wynia
Spk. Vanasek

Those who voted in the negative were:

Dempsey

The bill was passed and its title agreed to.

H. F. No. 1805, A bill for an act relating to energy; requiring repairs, servicing, or inspections of heating systems to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; 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 122 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Skoglund
Anderson, R.	Frerichs	Larsen	Osthoff	Solberg
Battaglia	Greenfield	Lasley	Otis	Sparby
Bauerly	Gruenes	Lieder	Pappas	Stanius
Beard	Gutknecht	Long	Pelowski	Steensma
Begich	Hartle	Marsh	Peterson	Sviggum
Bennett	Heap	McDonald	Poppenhagen	Swenson
Bertram	Himle	McEachern	Price	Thiede
Blatz	Hugoson	McKasy	Quinn	Tompkins
Boo	Jacobs	McLaughlin	Quist	Trimble
Brown	Jaros	McPherson	Redalen	Tunheim
Burger	Jefferson	Miller	Reding	Uphus
Carlson, D.	Jennings	Minne	Rest	Valento
Carlson, L.	Jensen	Munger	Rice	Vellenga
Carruthers	Johnson, A.	Murphy	Richter	Voss
Clark	Johnson, R.	Nelson, C.	Riveness	Wagenius
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Waltman
Cooper	Kalis	Nelson, K.	Rose	Welle
Dauner	Kelly	Neuenschwander	Rukavina	Wenzel
Dawkins	Kelso	O'Connor	Sarna	Winter
DeBlieck	Kinkel	Ogren	Schafer	Wynia
DeRaad	Kludt	Olson, E.	Seaberg	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Segal	
Dorn	Knuth	Omman	Shaver	
Forsythe	Kostohryz	Onnen	Simoneau	

Those who voted in the negative were:

Dempsey

Haukoos

Milbert

Scheid

Schreiber
Tjornhom

The bill was passed and its title agreed to.

H. F. No. 2020, A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 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 121 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knickerbocker	Omann	Seaberg
Anderson, R.	Forsythe	Knuth	Onnen	Segal
Battaglia	Frederick	Kostohryz	Orenstein	Shaver
Bauerly	Frerichs	Krueger	Osthoff	Simoneau
Begich	Greenfield	Larsen	Otis	Skoglund
Bennett	Gruenes	Lieder	Ozment	Solberg
Bertram	Gutknecht	Long	Pappas	Sparby
Bishop	Hartle	Marsh	Pauly	Stanius
Blatz	Haukoos	McDonald	Pelowski	Steensma
Boo	Heap	McKasy	Peterson	Sviggum
Brown	Himle	McLaughlin	Poppenhagen	Swenson
Burger	Hugoson	McPherson	Price	Thiede
Carlson, D.	Jacobs	Milbert	Quinn	Tjornhom
Carlson, L.	Jaros	Miller	Quist	Tompkins
Carruthers	Jefferson	Minne	Redalen	Trimble
Clark	Jennings	Morrison	Reding	Tunheim
Clausnitzer	Jensen	Munger	Rice	Uphus
Cooper	Johnson, A.	Murphy	Richter	Valento
Dauner	Johnson, R.	Nelson, C.	Rodosovich	Voss
Dawkins	Johnson, V.	Nelson, D.	Rose	Wagenius
DeBlieck	Kalis	Neuenschwander	Rukavina	Waltman
Dempsey	Kelly	Ogren	Schafer	Welle
DeRaad	Kelso	Olson, E.	Scheid	Wenzel
Dille	Kinkel	Olson, K.	Schreiber	Winter
				Spk. Vanasek

Those who voted in the negative were:

Beard	Kludt	McEachern	O'Connor	Sarna
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The bill was passed and its title agreed to.

Kostohryz was excused for the remainder of today's session.

H. F. No. 10 was reported to the House and given its third reading.

Anderson, G., moved that H. F. No. 10 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., motion and the roll was called. There were 38 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Knuth	Pappas	Simoneau
Anderson, R.	Greenfield	Lieder	Price	Stanisus
Bennett	Jaros	Miller	Redalen	Trimble
Bishop	Jennings	Munger	Riveness	Vellenga
Brown	Johnson, R.	Murphy	Rodosovich	Voss
Burger	Kalis	Nelson, C.	Rose	Welle
Carlson, D.	Kinkel	Neuenschwander	Rukavina	
Clausnitzer	Knickerbocker	Olson, E.	Segal	

Those who voted in the negative were:

Battaglia	Forsythe	Kludt	Osthoff	Skoglund
Bauerly	Frederick	Krueger	Pauly	Solberg
Beard	Frerichs	Larsen	Pelowski	Sparby
Begich	Gruenes	Marsh	Peterson	Steensma
Bertram	Gutknecht	McDonald	Poppenhagen	Sviggum
Blatz	Hartle	McEachern	Quinn	Swenson
Boo	Haukoos	McPherson	Quist	Thiede
Carlson, L.	Heap	Minne	Rest	Tjornhom
Cooper	Himle	Morrison	Richter	Tunheim
Dauner	Hugoson	Nelson, D.	Sarna	Uphus
Dawkins	Jacobs	O'Connor	Schafer	Valento
DeBlieck	Jensen	Ogren	Scheid	Wagenius
DeRaad	Johnson, V.	Omamn	Schreiber	Waltman
Dille	Kelly	Onnen	Seaberg	Wenzel
Dorn	Kelso	Orenstein	Shaver	Winter

The motion did not prevail.

H. F. No. 10, A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

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 112 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boo	Carlson, L.	Dauner
Battaglia	Bennett	Brown	Clark	Dawkins
Bauerly	Bertram	Burger	Clausnitzer	DeBlieck
Beard	Blatz	Carlson, D.	Cooper	Dempsey

DeRaad	Kalis	Morrison	Quinn	Stanius
Dille	Kelly	Nelson, C.	Quist	Steenasma
Dorn	Kelso	Nelson, D.	Redalen	Sviggum
Forsythe	Kinkel	Neuenschwander	Reding	Swenson
Frederick	Kludt	O'Connor	Rest	Thiede
Frerichs	Knickerbocker	Ogren	Rice	Tjornhom
Gruenes	Knuth	Olson, E.	Richter	Tompkins
Gutknecht	Krueger	Olson, K.	Riveness	Trimble
Hartle	Larsen	Omann	Rose	Tunheim
Haukoos	Lasley	Onnen	Sarna	Uphus
Heap	Lieder	Orenstein	Schafer	Valento
Himle	Marsh	Osthoff	Scheid	Voss
Hugoson	McDonald	Otis	Schreiber	Wagenius
Jacobs	McEachern	Ozment	Seaberg	Waltman
Jefferson	McKasy	Pauly	Segal	Wenzel
Jennings	McPherson	Pelowski	Shaver	Winter
Jensen	Milbert	Peterson	Skoglund	
Johnson, R.	Miller	Poppenhagen	Solberg	
Johnson, V.	Minne	Price	Sparby	

Those who voted in the negative were:

Anderson, G.	Greenfield	Kahn	Pappas	Welle
Bishop	Jaros	Murphy	Rodosovich	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1659, A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, 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 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	DeBlieck	Gutknecht	Jensen
Anderson, R.	Burger	Dempsey	Hartle	Johnson, R.
Battaglia	Carlson, D.	DeRaad	Haukoos	Johnson, V.
Bauerly	Carlson, L.	Dille	Heap	Kahn
Beard	Carruthers	Dorn	Himle	Kalis
Begich	Clark	Forsythe	Hugoson	Kelly
Bennett	Clausnitzer	Frederick	Jacobs	Kelso
Bertram	Cooper	Frerichs	Jaros	Kinkel
Bishop	Dauner	Greenfield	Jefferson	Kludt
Blatz	Dawkins	Gruenes	Jennings	Knickerbocker

Knuth	Murphy	Pauly	Sarna	Thiede
Krueger	Nelson, C.	Pelowski	Schafer	Tjornhom
Larsen	Nelson, D.	Peterson	Scheid	Tompkins
Lasley	Nelson, K.	Poppenhagen	Schreiber	Trimble
Lieder	Neuenschwander	Price	Seaberg	Tunheim
Long	O'Connor	Quinn	Segal	Uphus
Marsh	Ogren	Quist	Shaver	Valento
McDonald	Olson, E.	Reding	Simoneau	Voss
McEachern	Olson, K.	Rest	Skoglund	Wagenius
McKasy	Omann	Rice	Solberg	Waltman
Milbert	Onnen	Richter	Sparby	Welle
Miller	Orenstein	Riveness	Stanius	Wenzel
Minne	Otis	Rodosovich	Steenma	Winter
Morrison	Ozment	Rose	Sviggum	Wynia
Munger	Pappas	Rukavina	Swenson	Spk. Vanasek

Those who voted in the negative were:

McPherson	Osthoff	Redalen
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The bill was passed and its title agreed to.

H. F. No. 1710, A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kelso	Nelson, D.	Rest
Anderson, R.	Dille	Kinkel	Nelson, K.	Rice
Battaglia	Dorn	Kludd	Neuenschwander	Richter
Bauerly	Forsythe	Knickerbocker	O'Connor	Riveness
Beard	Frederick	Knuth	Ogren	Rodosovich
Begich	Frerichs	Krueger	Olson, E.	Rose
Bennett	Greenfield	Larsen	Olson, K.	Rukavina
Bertram	Gruenes	Lasley	Omann	Sarna
Bishop	Gutknecht	Lieder	Onnen	Schafer
Blatz	Hartle	Long	Orenstein	Scheid
Boo	Haukoos	Marsh	Osthoff	Schreiber
Brown	Heap	McDonald	Otis	Seaberg
Burger	Himle	McEachern	Ozment	Segal
Carlson, D.	Hugoson	McKasy	Pappas	Shaver
Carlson, L.	Jacobs	McLaughlin	Pauly	Simoneau
Carruthers	Jaros	McPherson	Pelowski	Skoglund
Clark	Jefferson	Milbert	Peterson	Solberg
Clausnitzer	Jennings	Miller	Poppenhagen	Sparby
Cooper	Jensen	Minne	Price	Stanius
Dauner	Johnson, R.	Morrison	Quinn	Steenma
Dawkins	Johnson, V.	Munger	Quist	Sviggum
DeBlicke	Kalis	Murphy	Redalen	Swenson
Dempsey	Kelly	Nelson, C.	Reding	Thiede

Tjornhom	Tunheim	Vellenga	Waltman	Winter
Tompkins	Uphus	Voss	Welle	Wynia
Trimble	Valento	Wagenius	Wenzel	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1784 was reported to the House.

There being no objection, H. F. No. 1784 was continued on the Calendar for one day.

H. F. No. 1989, A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knickerbocker	Olson, E.	Scheid
Anderson, R.	Frederick	Knuth	Olson, K.	Seaberg
Battaglia	Frerichs	Krueger	Omann	Segal
Bauerly	Greenfield	Larsen	Onnen	Shaver
Beard	Gruenes	Lasley	Orenstein	Simoneau
Begich	Gutknecht	Lieder	Osthoff	Skoglund
Bennett	Hartle	Long	Otis	Solberg
Bertram	Haukoos	Marsh	Ozment	Sparby
Bishop	Heap	McDonald	Pappas	Stanius
Blatz	Himle	McEachern	Pauly	Steensma
Brown	Hugoson	McKasy	Pelowski	Svigum
Burger	Jacobs	McLaughlin	Peterson	Swenson
Carlson, D.	Jaros	McPherson	Poppenhagen	Thiede
Carlson, L.	Jefferson	Milbert	Price	Tjornhom
Carruthers	Jennings	Miller	Quinn	Trimble
Clark	Jensen	Minne	Redalen	Tunheim
Clausnitzer	Johnson, A.	Morrison	Reding	Uphus
Cooper	Johnson, R.	Munger	Rest	Valento
Dauner	Johnson, V.	Murphy	Rice	Vellenga
Dawkins	Kahn	Nelson, C.	Riveness	Wagenius
DeBlicke	Kalis	Nelson, D.	Rodosovich	Waltman
Dempsey	Kelly	Nelson, K.	Rose	Welle
DeRaad	Kelso	Neuenschwander	Ruktavina	Wenzel
Dille	Kinkel	O'Connor	Sarna	Winter
Dorn	Kludt	Ogren	Schafer	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Quist

The bill was passed and its title agreed to.

H. F. No. 2039, A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

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, R.	Ferichs	Larsen	Osthoff	Shaver
Battaglia	Greenfield	Lasley	Otis	Simoneau
Bauerly	Gruenes	Lieder	Ozment	Skoglund
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanis
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggum
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carruthers	Jensen	Morrison	Rest	Uphus
Clark	Johnson, A.	Munger	Rice	Valento
Clausnitzer	Johnson, R.	Murphy	Richter	Vellenga
Cooper	Johnson, V.	Nelson, C.	Riveness	Voss
Dauner	Kahn	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kalis	Neuenschwander	Rose	Waltman
DeBlicke	Kelly	O'Connor	Rukavina	Welle
Dempsey	Kelso	Ogren	Sarna	Wenzel
DeRaad	Kinkel	Olson, E.	Schafer	Winter
Dille	Kludt	Olson, K.	Scheid	Wynia
Dorn	Knickerbocker	Omann	Schreiber	Spk. Vanasek
Forsythe	Knuth	Onnen	Seaberg	
Frederick	Krueger	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Long	Pappas	Sparby
Beard	Hartle	Marsh	Pauly	Stanisus
Begich	Haukoos	McDonald	Pelowski	Steensma
Bennett	Heap	McEachern	Peterson	Sviggum
Bertram	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Rest	Tunheim
Carlson, L.	Jensen	Morrison	Rice	Uphus
Clark	Johnson, A.	Munger	Richter	Valento
Clausnitzer	Johnson, R.	Murphy	Riveness	Vellenga
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Voss
Dauner	Kahn	Nelson, K.	Rose	Wagenius
Dawkins	Kalis	Neuenschwander	Rukavina	Waltman
DeBlieck	Kelly	O'Connor	Sarna	Welle
Dempsey	Kelso	Ogren	Schafer	Wenzel
DeRaad	Kinkel	Olson, E.	Scheid	Winter
Dille	Kludt	Olson, K.	Schreiber	Wynia
Dorn	Knickerbocker	Omann	Seaberg	Spk. Vanasek
Forsythe	Knuth	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Jaros	McDonald	Onnen
Anderson, R.	Dawkins	Jefferson	McEachern	Orenstein
Battaglia	DeBlieck	Jennings	McKasy	Osthoff
Bauerly	Dempsey	Jensen	McLaughlin	Otis
Beard	DeRaad	Johnson, A.	McPherson	Ozment
Begich	Dille	Johnson, R.	Milbert	Pappas
Bennett	Dorn	Johnson, V.	Miller	Pauly
Bertram	Forsythe	Kalis	Minne	Pelowski
Bishop	Frederick	Kelly	Morrison	Peterson
Blatz	Frerichs	Kelso	Munger	Poppenhagen
Boo	Greenfield	Kinkel	Murphy	Price
Brown	Gruenes	Kludt	Nelson, C.	Quinn
Burger	Gutknecht	Knickerbocker	Nelson, K.	Quist
Carlson, D.	Hartle	Knuth	Neuenschwander	Redalen
Carlson, L.	Haukoos	Krueger	O'Connor	Rest
Carruthers	Heap	Larsen	Ogren	Rice
Clark	Himle	Lasley	Olson, E.	Richter
Clausnitzer	Hugoson	Lieder	Olson, K.	Riveness
Cooper	Jacobs	Marsh	Omann	Rodosovich

Rose	Segal	Steensma	Tunheim	Welle
Rukavina	Shaver	Sviggum	Uphus	Wenzel
Sarna	Simoneau	Swenson	Valento	Winter
Schafer	Skoglund	Thiede	Vellenga	Wynia
Scheid	Solberg	Tjornhom	Voss	Spk. Vanasek
Schreiber	Sparby	Tompkins	Wagenius	
Seaberg	Stanisus	Trimble	Waltman	

The bill was passed and its title agreed to.

H. F. No. 2180, A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

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.	Frederick	Larsen	Orenstein	Shaver
Anderson, R.	Frerichs	Lasley	Osthoff	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Long	Ozment	Solberg
Beard	Gutknecht	Marsh	Pappas	Sparby
Begich	Hartle	McDonald	Pauly	Stanisus
Bennett	Haukoos	McEachern	Pelowski	Steensma
Bertram	Heap	McKasy	Peterson	Sviggum
Bishop	Himle	McLaughlin	Poppenhagen	Swenson
Blatz	Hugoson	McPherson	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jennings	Morrison	Rest	Tunheim
Carlson, L.	Jensen	Munger	Rice	Uphus
Carruthers	Johnson, A.	Murphy	Richter	Valento
Clark	Johnson, R.	Nelson, C.	Riveness	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Voss
Cooper	Kalis	Nelson, K.	Rose	Wagenius
Dauner	Kelly	Neuenschwander	Rukavina	Waltman
Dawkins	Kelso	O'Connor	Sarna	Welle
DeBlieck	Kinkel	Ogren	Schafer	Wenzel
Dempsey	Kludt	Olson, E.	Scheid	Winter
DeRaad	Knickerbocker	Olson, K.	Schreiber	Wynia
Dille	Knuth	Omann	Seaberg	Spk. Vanasek
Dorn	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Welle moved that the name of Neuenschwander be stricken and the name of Rice be added as chief author on H. F. No. 428. The motion prevailed.

Dempsey moved that the names of Orenstein and Heap be added as authors on H. F. No. 1493. The motion prevailed.

Vanasek moved that his name be stricken and the name of Quinn be added as chief author on H. F. No. 1607. The motion prevailed.

Redalen moved that his name be stricken as an author on H. F. No. 1818. The motion prevailed.

Bauerly moved that the name of Anderson, R., be added as an author on H. F. No. 1955. The motion prevailed.

Greenfield moved that the name of Clark be added as an author on H. F. No. 2126. The motion prevailed.

Kinkel moved that the name of Wenzel be added as an author on H. F. No. 2155. The motion prevailed.

Ozment moved that his name be stricken as an author on H. F. No. 2198. The motion prevailed.

Ozment moved that his name be stricken as an author on H. F. No. 2199. The motion prevailed.

Ogren moved that the names of Wynia, Onnen, Cooper and Kelso be added as authors on H. F. No. 2233. The motion prevailed.

Vellenga moved that the names of Nelson, K.; Otis; McEachern and Olsen, S., be added as authors on H. F. No. 2366. The motion prevailed.

Kalis moved that the name of Dille be added as an author on H. F. No. 2371. The motion prevailed.

Quinn moved that the name of McKasy be added as an author on H. F. No. 2373. The motion prevailed.

Minne moved that the name of Dawkins be added as an author on H. F. No. 2374. The motion prevailed.

Greenfield moved that the name of Rodosovich be stricken and the name of Johnson, R., be added as an author on H. F. No. 2398. The motion prevailed.

Greenfield moved that the name of Ozment be added as an author on H. F. No. 2448. The motion prevailed.

Pauly moved that the name of Morrison be added as an author on H. F. No. 2466. The motion prevailed.

Milbert moved that the name of Kelso be added as an author on H. F. No. 2476. The motion prevailed.

Bauerly moved that the name of Ozment be added as an author on H. F. No. 2519. The motion prevailed.

Riveness moved that the names of Blatz and Himle be added as authors on H. F. No. 2540. The motion prevailed.

Bauerly moved that the name of Trimble be added as an author on H. F. No. 2541. The motion prevailed.

Pappas moved that H. F. No. 2584 be recalled from the Committee on Commerce and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Nelson, C., moved that S. F. No. 1268, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Otis moved that H. F. No. 1586 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Voss moved that H. F. Nos. 616, 942 and 1566 be returned to their author. The motion prevailed.

Otis; Vanasek; Wynia; Anderson, G., and Schreiber introduced:

House Concurrent Resolution No. 13, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Skoglund; Johnson, A.; Steensma; Ogren and Jefferson introduced:

House Concurrent Resolution No. 14, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Hartle, Bishop, Boo, McKasy and Redalen introduced:

House Concurrent Resolution No. 15, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Segal; Riveness; Greenfield; Nelson, D., and Olson, K., introduced:

House Concurrent Resolution No. 16, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Shaver, Waltman, DeRaad, Rose and Pauly introduced:

House Concurrent Resolution No. 17, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Dauner, Carruthers, Jaros, Jennings and Kahn introduced:

House Concurrent Resolution No. 18, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Pappas, Simoneau, Clark, Beard and Dawkins introduced:

House Concurrent Resolution No. 19, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Rukavina, Trimble, Wagenius, Welle and Orenstein introduced:

House Concurrent Resolution No. 20, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Price; Nelson, K.; Anderson, R.; Voss and Minne introduced:

House Concurrent Resolution No. 21, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Carlson, D.; Reding; Knuth; Vellenga and Kelly introduced:

House Concurrent Resolution No. 22, A House concurrent resolu-

tion deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 9, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 9, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-SIXTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 9, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, Executive Director, Minnesota Catholic Conference, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggum
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jennings	Morrison	Reding	Tunheim
Carlson, L.	Jensen	Munger	Rest	Uphus
Carruthers	Johnson, A.	Murphy	Rice	Valento
Clark	Johnson, R.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kahn	Nelson, K.	Rodosevich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omamm	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

A quorum was present.

McPherson was 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. Nos. 1743, 1795, 1818, 1877, 1941, 1986, 1995, 2055, 2177, 2187, 2221, 2265, 2336, 2372, 2431, 2432, 1486, 1796, 1863, 1952, 1962, 1978, 1980, 2008, 2212, 2220, 2251, 258, 1656, 1678 and 1914 and S. F. Nos. 1710, 1622, 1711 and 1715 have been placed in the members' files.

S. F. No. 1715 and H. F. No. 1942, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ogren moved that S. F. No. 1715 be substituted for H. F. No. 1942 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1711 and H. F. No. 1986, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ogren moved that S. F. No. 1711 be substituted for H. F. No. 1986 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1710 and H. F. No. 2212, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Simoneau moved that S. F. No. 1710 be substituted for H. F. No. 2212 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 518, A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1986, sections 3.981, subdivisions 2, 8, and by adding subdivisions; 3.982; 3.983, subdivision 3; 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and

14; repealing Minnesota Statutes 1986, section 3.981, subdivisions 4, 5, and 9.

Reported the same back with the following amendments:

Page 3, line 34, before the period insert ", but not the metropolitan council or metropolitan commissions or agencies"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 987, A bill for an act relating to education; requiring the state fire marshal to inspect a public school building every three years; amending Minnesota Statutes 1986, section 299F.11, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [299F.395] [INSPECTION OF PUBLIC SCHOOLS.]

Subdivision 1. [STATE INSPECTION.] The state fire marshal shall inspect every public school building once every three years except as provided in subdivision 2.

Subd. 2. [LOCAL INSPECTION.] Any public school building that has been inspected by a local unit of government between January 1, 1985, and January 1, 1988, may continue to be inspected by the local unit of government and does not need to be inspected by the state fire marshal, provided the inspections continue to occur at least once every three years.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5 and insert "proposing coding for new law in Minnesota Statutes, chapter 299F."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1000, 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; authorizing local advisory boards; authorizing assessments on milk processors; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, chapter 32A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“DAIRY INDUSTRY IMPROVEMENT ACT

Section 1. [FINDINGS.]

The legislature finds that to protect the health and welfare of Minnesotans it is necessary to provide a fair pricing and marketing program in the state for dairy products and to protect consumers of dairy products from unfair trade practices, unfair methods of competition, conditions of monopoly, and combinations in restraint of trade.

Sec. 2. [32C.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [AGRICULTURAL MARKETING AGREEMENT ACT.] “Agricultural Marketing Agreement Act” means the Agricultural Marketing Agreement Act of 1937 as amended, United States Code, title 7, sections 601 et. seq.

Subd. 3. [BULK MILK.] “Bulk milk” means milk purchased by a processor from a person other than a dairy farmer in a container

other than the one in which the milk will be resold to a retailer or to a consumer.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 5. [DAIRY FARMER.] "Dairy farmer" means a person who produces grade A raw milk for sale to a processor.

Subd. 6. [DAIRY FARMER-PROCESSOR.] "Dairy farmer-processor" means a person who is both a dairy farmer and a processor and does not purchase raw milk from other dairy farmers. A dairy farmer-processor is a dairy farmer when selling to a processor raw milk produced by the dairy farmer-processor, and is a processor when processing, manufacturing, or selling dairy products, or receiving bulk milk from another person.

Subd. 7. [DAIRY MARKETER.] "Dairy marketer" means a processor or distributor, including the subsidiaries, affiliate corporations, agents, and representatives.

Subd. 8. [DAIRY PRODUCTS.] "Dairy products" means milk products and frozen dairy products.

Subd. 9. [DISTRIBUTOR.] "Distributor" means a person, other than a processor, who sells to retailers or consumers at retail on home delivery routes or at fixed places of business.

Subd. 10. [FROZEN DAIRY PRODUCT.] "Frozen dairy product" means:

(1) ice cream, frozen custard, ice milk, mellorine, olarine, sherine, fruit sherbets, fruit sherbines;

(2) the mix from which a product in clause (1) is made;

(3) frozen products that contain milk solids other than fat or butterfat, commonly referred to in the dairy industry as "novelties"; or

(4) frozen products, except baked goods, containing a milk derivative.

Subd. 11. [HANDLING.] "Handling" means the activities of a dairy marketer in bottling, processing, packaging, or manufacturing dairy products, or in purchasing processed or manufactured dairy products that are resold to another dairy marketer or retailer.

Subd. 12. [MILK.] "Milk" means the lacteal secretion of a cow, including a secretion that is raw, cooled, pasteurized, standardized,

homogenized, recombined, or concentrated, which meets the grade A requirements established in section 32.394.

Subd. 13. [MILK PRODUCT.] "Milk product" means:

(1) raw milk, regular or creamline milk, standardized milk, whole pasteurized milk, special milk, homogenized milk, fortified milk, plain or creamed buttermilk, cottage cheese, creamed cottage cheese, flavored milk, flavored skim milk, sour cream, half and half, whipping cream, whipped cream, skim milk, lowfat milk, fluid cream, concentrated milk, yogurt, and eggnog; or

(2) a product that contains milk solids other than fat, butterfat, or a milk derivative, which is manufactured to resemble a milk product as defined in clause (1).

"Milk product" does not include butter, cheese other than cottage cheese or cream cottage cheese, nonfat dry milk, skim condensed milk, whole condensed milk, whole dry milk, dried cream, evaporated milk, sweetened condensed milk, or baked goods.

Subd. 14. [MINNESOTA DAIRY COMMISSION; COMMISSION.] "Minnesota dairy commission" or "commission" means the commission established in section 16.

Subd. 15. [PERSON.] "Person" means an individual, business entity, cooperative corporation or association, or governmental agency.

Subd. 16. [PROCESSOR.] "Processor" means a person who:

(1) processes or manufactures dairy products;

(2) purchases raw milk from a grade A dairy farmer for resale to a person who processes or manufactures dairy products; or

(3) purchases bulk milk from anyone for resale to a person who processes or manufactures dairy products.

"Processor" does not include a person who only purchases ice cream mix, ice milk mix, or other frozen dairy products mix and whose processing activities are limited to converting the mix into a frozen dairy product, if more than half of the sales of the frozen dairy product are made by the person to consumers at retail on the premises where the frozen dairy product is processed.

Subd. 17. [RETAILER.] "Retailer" means a person who sells dairy products to consumers at fixed places of business located in this state, except that "retailer" does not include a person whose primary

business is the sale of food or dairy products subject to the sales tax under section 297A.01, subdivision 3, paragraph (c).

Subd. 18. [RETAIL PRICE.] "Retail price" means the price at which a dairy product is purchased when purchased for a purpose other than resale.

UNFAIR DAIRY TRADE PRACTICES

Sec. 3. [32C.02] [BUYING, SELLING, AND PRICING VIOLATIONS.]

Subdivision 1. [PROHIBITED PRICING.] A manufacturer, wholesaler, distributor, or retailer of dairy products doing business in this state must not sell, offer for sale, or advertise for sale a dairy product below cost, or give, offer to give, or advertise the intent to give away a dairy product for the purpose or with the effect of injuring a competitor or destroying competition. This section does not apply to a sale made in conformance with section 325D.06, clauses (1) to (4). No action may be commenced under this section if the retail price is 15 percent or more above the list price of the manufacturer.

Subd. 2. [RETAIL SELLING OF PRODUCTS OF DIFFERENT BRANDS AT DIFFERENT PRICES.] A retailer may not sell or offer for sale dairy products of one brand at a price different from the price charged by the retailer for an equal quantity of a product of the same type, quality, or grade, but of a different brand, unless the price differential is equal to the difference in the prices paid by the retailer for the products.

Subd. 3. [DAIRY PRODUCTS PRICED WITH OTHER PRODUCTS.] A dairy marketer may not charge a combined price for a dairy product and another commodity or service that is less or is represented to be less than the aggregate of the price of the dairy product and the price or value of the other commodity or service when sold or offered for sale separately.

Subd. 4. [SELLING BELOW COST.] A dairy marketer may not sell, offer for sale, or advertise for sale a dairy product below cost, or give, offer to give, or advertise the intent to give away the dairy product, to damage or harass a competitor or destroy competition. This section does not apply to a sale made in conformance with section 325D.06, clauses (1) to (4). An enforcement action may not be commenced under this subdivision if the retail price is 15 percent or more above the list price of the processor.

Subd. 5. [PRIMA FACIE EVIDENCE OF SALE BELOW COST.] (a) In an action for an injunction from or to impose civil penalties for a violation of this section, evidence that a dairy product was sold, offered for sale, or advertised for sale at a price that damages or

destroys competition is prima facie evidence that the product was sold, offered for sale, or advertised for sale below cost to damage a competitor or to destroy competition.

(b) For purposes of paragraph (a), price is presumed to damage or destroy competition if:

(1) a retail price is less than eight percent above the current net delivered price of the processor including a rebate, discount, refund, and price differential; or

(2) a price charged to a retailer by a distributor is less than five percent above the current net delivered price of the processor including any rebate, discount, refund, and price differential.

Subd. 6. [BURDEN OF PROOF] (a) If the commissioner has reason to believe that a dairy marketer is selling dairy products below cost and notifies the dairy marketer, the dairy marketer has the burden of proof using an accepted cost accounting procedure that sales were not made below cost.

(b) In demonstrating that sales of dairy products were not made below cost, general overhead costs and sales volume must be determined for the 12-month period immediately preceding the first month of the alleged violation, or the time in operation if less than 12 months. General overhead costs may not be taken into account if they occur during the same period as alleged violation of this section, and changes in sales volume from the months preceding the violation may not be taken into account if the changes occur during the same period as the alleged violation.

(c) In determining unit costs, raw material, and ingredient costs and other special costs that are announced in advance or otherwise known must be considered at the time the costs become effective, notwithstanding the 12-month period in paragraph (b).

(d) Costs include raw materials, ingredients, general processing, cost of goods sold, labor, marketing, distribution, selling, maintenance and repair, depreciation, taxes, utilities, licenses, and other general administrative or overhead costs, whether fixed or variable, as are recognized by generally accepted accounting principles.

(e) Product cost theories, direct or marginal costing, and differential cost concepts are unacceptable cost accounting procedures.

(f) Cost center accounting concepts must be used in determining cost of manufacturing or selling selected dairy products in multi-level operations.

(g) In an action brought under this chapter, the commissioner's

determination of a dairy marketer's specific costs are prima facie correct, and may be rebutted by the dairy marketer's actual costs. In determining costs and rebuttals of the determination, generally accepted accounting principles and generally accepted auditing standards that are relevant and proper to the determination must be followed and the principles and standards must include the use of proper sampling.

Subd. 7. [COMMISSIONER MAY REQUIRE PRICE SCHEDULES.] When the commissioner determines it necessary for the enforcement of this chapter, the commissioner may require a dairy marketer selling dairy products to furnish to the commissioner a current schedule of prices showing rebates, discounts, refunds, and price differentials for the dairy products offered for sale at wholesale by the dairy marketer to retailers or to any other person for sale at wholesale to a retailer. Manufacturers with retail stores may be required to furnish current price schedules for the stores. The price schedules furnished are informational only. Schedules of prices and cost data are confidential, nonpublic data.

Sec. 4. [32C.03] [UNFAIR DAIRY MARKETING PRACTICES.]

Subdivision 1. [DAMAGING A COMPETITOR.] A dairy marketer may not:

- (1) restrain, lessen, or destroy competition;
- (2) damage a competitor;
- (3) damage a person dealing in dairy products;
- (4) impair or prevent fair competition in the sale of dairy products to retailers in this state; or
- (5) engage in or threaten to engage in a prohibited practice or method of doing business.

Subd. 2. [METHOD TO DEFEAT DAIRY UNFAIR TRADE PRACTICES.] A dairy marketer may not apply or attempt to apply a method or device in the sale or distribution of dairy products intending to defeat the policy or to evade a provision of this chapter or an order or rule adopted by the commissioner.

Subd. 3. [INDUCING PROHIBITED ACTS.] In the course of doing business in this state, a person may not knowingly induce an act or knowingly receive a benefit from an act prohibited by this chapter.

Subd. 4. [FINANCIAL INTEREST IN RETAILER.] A dairy marketer may not own, control, or have more than a five percent financial interest in a retail business selling or offering for sale

dairy products in this state, unless the business name, address, nature, and extent of the dairy marketer's ownership or control of the retail business are prominently displayed at the main public entrance to the premises where the business is being conducted. The information displayed must be in upper-cased type not less than 24 points in size.

Sec. 5. [32C.04] [SALE AND LEASE BACK OF PROPERTY.]

Subdivision 1. [GENERAL PROHIBITION.] A dairy marketer may not purchase real or personal property from a retailer and lease back or resell the property to the retailer under a deferred payment contract except as allowed in this section.

Subd. 2. [RENTAL AGREEMENT.] A dairy marketer and a retailer may enter a written lease signed by both parties that specifies:

(1) a rental rate that is consistent with the value of similar property in the area where the retailer is located when the lease is executed; and

(2) other terms and conditions consistent with leases of similar property in that locality made at or about the same time by persons not having the relationship existing between the retailer, as the purchaser, and the lessor, as the seller, of dairy products.

Subd. 3. [CONTRACTS TO SELL PROPERTY.] (a) A dairy marketer and a retailer may enter a written contract for the sale of property signed by both parties specifying:

(1) a purchase price that is consistent with the fair market value of similar property in the area where the retailer is located when the contract is executed;

(2) the down payment on the purchase price;

(3) the periodic payments on the unpaid balance of the purchase price; and

(4) other terms and conditions consistent with sale contracts of similar property in that locality made at or about the same time by persons not having the relationship existing between the retailer, as the purchaser, and the dairy marketer, as the seller, of dairy products.

(b) A contract or agreement for the lease back or resale to a retailer of property purchased from the retailer by the dairy marketer may not contain a requirement that the retailer must purchase dairy products from a specified dairy marketer.

Sec. 6. [32C.05] [FURNITURE, TRADE FIXTURES, AND EQUIPMENT.]

Subdivision 1. [INDUCEMENT FOR PURCHASE.] A dairy marketer may not furnish, give, lend, lease, or sell furniture, fixtures, fittings, or equipment to a retailer as an incentive or inducement for the retailer to purchase, handle, store, display, sell, or trade in a dairy product of a dairy marketer.

Subd. 2. [RESTRICTION ON SALES TO RETAILERS.] To maintain fair, open, and free competition for the trade and custom of the retailers purchasing dairy products for resale, a dairy marketer may not sell or offer to sell to a retailer furniture, trade fixtures, or equipment except as allowed in this section.

Subd. 3. [TIME PAYMENT SALES.] (a) A dairy marketer may not sell furniture, trade fixtures, or equipment at less than their cost to a retailer that purchases dairy products from the dairy marketer. A sale made by a dairy marketer at less than 15 percent above the actual current invoice or replacement cost, less depreciation in the case of used furniture, trade fixtures, or equipment computed at the annual rate of 15 percent of the seller's cost, is prima facie evidence that the sale was made below the dairy marketer's cost.

(b) If the full purchase price of the furniture, trade fixtures, or equipment sold to the retailer is not paid to the dairy marketer by the retailer by 40 days after delivery, the retailer must pay at least ten percent of the purchase price within the 40 days and provide the dairy marketer a conditional sales contract or a promissory note with a purchase money security interest in the furniture, trade fixtures, or equipment.

(c) The conditional sales contract or purchase money security agreement must specifically describe each item of the sale. The dairy marketer, by ten days after the contract or security agreement is entered into, must file the conditional sales contract, or purchase money security agreement and financing statement, as required to enforce the purchase money secured debt. The conditional sales contract or purchase money security agreement must specify:

(1) the cash payment made by the retailer to the dairy marketer or the value of the trade-in accepted to apply on the purchase price, but the trade-in credit must not exceed the depreciated value of the items representing the trade-in credit as carried on the business records of the purchaser, or if records are not available, at an annual depreciation rate of 15 percent of the purchaser's cost; and

(2) that the amount of the unpaid purchase price must be paid by the retailer in 60 equal monthly installments with the last installment of principal and interest maturing not later than 60 months from the execution of the conditional sales contract or purchase

money security agreement given to the dairy marketer by the retailer.

(d) The rate of interest on the purchases may not be less than the prevailing market rate, and the rates of interest charged for various sales agreements on any given day must be the same for all retailers.

Subd. 4. [SERVICING.] The mechanical, electrical, and other servicing of furniture, trade fixtures, or equipment sold to a retailer by a dairy marketer is the sole responsibility of the retailer unless at the time of the sale, the dairy marketer and the retailer agree in writing that the dairy marketer is responsible for the servicing. The contract must require the dairy marketer to charge the retailer for the servicing at the same price charged by third persons rendering the service in the area or community where the retailer is located. The charge for the servicing, including the full cost of all repair and replacement parts, must be paid by the retailer to the dairy marketer by 40 days after the performance of the work.

Sec. 7. [32C.06] [PROHIBITED GIFTS, LOANS, CREDIT, AND COMPENSATION.]

Subdivision 1. [GIFTS AND LOANS.] A dairy marketer may not give, lend, or advance money, credit, or another thing of value to a retailer, or to a person for the benefit or relief of a retailer.

Subd. 2. [FINANCIAL OBLIGATIONS.] A dairy marketer may not become obligated for the repayment of a loan of money or financial commitment of a retailer.

Subd. 3. [EXTEND CREDIT WHEN DELIVERY DEBTS ARE DUE.] A dairy marketer may not extend or give an additional credit to a retailer if there is indebtedness attributable to the delivery of dairy products from the retailer on the 15th day of the next calendar month after delivery.

Subd. 4. [CREDIT FOR UNSALABLE PRODUCTS.] A dairy marketer may not credit an account of or pay a retailer for a dairy product that the retailer claims has become stale, spoiled, or otherwise unsalable, unless the particular product is in fact spoiled or otherwise unsalable.

Subd. 5. [COMPENSATION IN CONNECTION WITH SALE.] A dairy marketer may not make or offer to make any gift of money, merchandise, trading stamps, coupons, service, supplies, or anything of value, or to grant or offer to grant any rebate, discount, or advertising allowance in connection with any sale to a distributor or retailer in this state of a dairy product except as expressly allowed under this chapter.

Subd. 6. [RETAILER LICENSES.] (a) A dairy marketer may not:

- (1) have an interest in or pay for a license for a retailer; or
- (2) advance, furnish, lend, or give money for the payment of a license fee and expense incident to obtaining a license for a retailer.

(b) A dairy marketer may purchase a required license in the dairy marketer's name to sell the dairy marketer's dairy products in this state.

Sec. 8. [32C.07] [PROHIBITED SIGNS AND ADVERTISING.]

Subdivision 1. [ADVERTISING.] (a) A dairy marketer may not:

(1) provide, pay for, guarantee, or in any other manner assume, satisfy, or discharge the cost or obligation of a retailer for painting, decorating, improving, repairing, or rebuilding an existing billboard, outdoor sign, display area, wall, fence, building, or structure, or other type of outdoor display advertising having a fixed location; or

(2) build, erect, or purchase a new billboard, outdoor sign, or other outdoor advertising having a fixed location, or a structure or facility for use as an outdoor display for the direct benefit of a retailer.

(b) A dairy marketer may engage in all forms of outdoor advertising to promote dairy products manufactured, processed, or distributed by the dairy marketer if a reference is not made to a retailer.

Subd. 2. [INDOOR SIGNS.] (a) A dairy marketer may not furnish or maintain inside signs of a permanent nature unless the signs are used only for advertising or promoting:

(1) dairy products manufactured, distributed, or sold by the person furnishing the sign; or

(2) items of food made principally from the dairy product advertised or the brand name of the dairy product advertised.

(b) A dairy marketer may furnish point-of-sale advertising material made of paper or other similar materials to a retailer without charge only to promote the sale of a dairy product of the person furnishing the material.

Subd. 3. [MEDIA ADVERTISING.] (a) A dairy marketer may not furnish, give, lend, finance, pay for, contribute to, or by other means participate in cooperative advertising using newspapers, radio, television, or other advertising media if a retailer selling, handling,

or offering for sale a dairy product of the dairy marketer is named or otherwise identified or referred to in the advertising.

(b) A dairy marketer may purchase and pay for the lines or space actually used in advertising one or more of its dairy products in a newspaper advertisement, handbill, or other form of printed advertising put out by a retailer or for the time actually so used in any radio or television program sponsored by a retailer.

Subd. 4. [ADVERTISING ON RETAILER'S PREMISES.] (a) A dairy marketer may not pay, loan, or give money, credit, compensation, or anything of value to a retailer for:

(1) the privilege of placing a sign, advertisement, or other sales promotion material in or upon the premises of the retailer; or

(2) storing, advertising, or displaying a dairy product in connection with its sale or promotion.

(b) A dairy marketer may furnish paint and maintain an insulated truck body used exclusively in the sale and delivery of its dairy products by the person making retail sales.

Sec. 9. [32C.08] [DAIRY MARKETERS AS HANDLERS OR HAULERS.]

A dairy marketer may not engage in the business of a processor or distributor selling or offering products for sale at wholesale to retailers while at the same time engaging in the business of hauling, handling, or delivering dairy products to a retailer for a fee, or for itself, or another processor or distributor if the business results in a sale of a dairy product at wholesale to a retailer at a price lower than the retailer could obtain from the processor or distributor without the hauling, handling, or delivering.

ENFORCEMENT

Sec. 10. [32C.09] [ENFORCEMENT.]

The commissioner shall enforce this chapter. The commissioner may adopt rules and temporary rules under chapter 14 to carry out the provisions of this chapter.

Sec. 11. [32C.10] [ENTRY, INSPECTION, AND INVESTIGATION.]

Subdivision 1. [ENTRY.] The commissioner may enter, at reasonable hours:

(1) places of business operated by dairy marketer or retailer where raw milk, milk products, or frozen dairy products are produced, stored, processed, manufactured, or sold; and

(2) places where a dairy marketer or retailer maintains books, papers, accounts, records, or other documents related to the business.

Subd. 2. [SUBPOENA AND INSPECTION.] (a) The commissioner may subpoena, and inspect, audit, and make copies of books, papers, records, accounts, or documents to determine whether this chapter and rules of the commissioner are being complied with.

(b) The commissioner may subpoena, and may inspect, audit, and make copies of relevant books, papers, records, accounts, or other documents.

(c) The commissioner may subpoena and take the testimony, under oath, of persons believed to have information needed to administer and enforce this chapter.

Subd. 3. [INVESTIGATIONS.] The commissioner may call together dairy marketers, retailers, and dairy farmers to investigate and hold hearings on trade practices and make findings relative to a trade practice involving the manufacture, sale, or distribution of dairy products.

Subd. 4. [CONFIDENTIALITY OF INFORMATION.] (a) Information acquired by the commissioner under this section is private data under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, and may only be used by the commissioner and the commission for the administration and enforcement of this chapter.

(b) A person who divulges confidential information that is private data on individuals or nonpublic data under this subdivision to an unauthorized person is guilty of a misdemeanor.

Sec. 12. [32C.11] [REMEDIES.]

Subdivision 1. [CIVIL PENALTY.] The commissioner may assess a civil penalty not to exceed \$500 per day for each violation or continuing violation, and may collect the civil penalty by a civil proceeding in an appropriate court. Penalties collected by the commissioner must be deposited in the state treasury and credited to the dairy marketing account.

Subd. 2. [COMPLIANCE ENFORCEMENT.] The commissioner may bring an action at law or in equity to enforce compliance with

a provision of this chapter or rule of the commissioner, or to obtain a declaratory judgment.

Subd. 3. [INJUNCTIVE RELIEF.] (a) The commissioner may bring an action for injunctive relief against any person violating or threatening to violate provisions of this chapter. The action does not require:

(1) alleging or proving actual damages or injury or that an adequate legal remedy does not exist, so that injunctive relief can be obtained promptly without awaiting injury or actual damage; or

(2) showing the intent or the effect of restraining, lessening or destroying competition, injuring a competitor or injuring a person dealing in dairy products, or impairing or preventing fair competition in the sale of dairy products in the state.

(b) The court shall grant injunctive relief unless the person objecting proves that the granting of the injunctive relief will damage or injure the person permanently or irreparably, and substantially. The proof must be offered within ten days after the injunctive action is filed.

(c) The injunctive relief must be temporary and may not extend beyond a violation of this chapter. The injunctive relief may not abridge or be in lieu of any other civil remedy provided in this chapter, except that temporary injunctive relief may be made permanent upon a showing by the board that the violation:

(1) has caused injury to competitors or competition;

(2) has restrained or lessened competition;

(3) has impaired fair competition in the sale of dairy products; or

(4) is reasonably expected to cause the effects stated in clause (1), (2), or (3).

(d) This subdivision does not allow the commissioner to bring an action for damages that will benefit the commissioner or the commission.

Sec. 13. [32C.12] [CEASE AND DESIST ORDER.]

Subdivision 1. [HEARING.] (a) If the commissioner has reason to believe that a person is violating provisions of this chapter or a rule of the commissioner, the commissioner may serve a complaint upon the person stating the alleged violation. The complaint must contain a notice of hearing with the time and place at least 20 days after the service of the complaint.

(b) The person receiving the complaint has the right to appear at the hearing to show cause why an order should not be entered by the commissioner requiring the person to cease and desist from the violation charged in the complaint. A person may apply and, upon good cause, be allowed by the commissioner to intervene and appear in the proceeding by counsel or in person.

(c) The testimony in the proceeding must be reduced to writing and filed in the office of the commissioner.

(d) If, upon hearing, the commissioner finds that there has been a violation of provisions of this chapter or rule of the commissioner, the commissioner shall make a report in writing stating the findings. The commissioner shall issue and serve an order upon the person requiring the person to cease and desist from the violation. The commissioner, at any time after notice and opportunity for hearing, may reopen and modify or set aside, in whole or in part, an order issued under this section.

Subd. 2. [REVIEW BY DISTRICT COURT.] (a) A person required by an order of the commissioner to cease and desist from an act or practice may obtain a review of the order in district court by filing with the court within 20 days after the date of service of the order a written petition requesting that the order of the commissioner be set aside. A copy of the petition must be served upon the commissioner. The commissioner shall certify and file in the court a transcript of the entire record and order of the commissioner. Upon the filing of the petition and transcript, the court has jurisdiction of the proceeding and of the question determined.

(b) The court may:

(1) make and enter upon the pleadings, evidence, and proceedings in the transcript a decree affirming, modifying, or setting aside the order of the commissioner or enforcing it to the extent that the order is affirmed; and

(2) issue writs ancillary to its jurisdiction or necessary in its judgment to prevent injury to the public or to competitors while a suit is pending.

(c) The findings of the commissioner relating to the facts, if supported by the evidence in the proceeding before the commissioner, are conclusive. To the extent that the order of the commissioner is affirmed, the court shall issue its own order commanding obedience to the terms of the order of the commissioner.

(d) If either party applies to the court for leave to acquire and offer additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable

grounds for the failure to acquire and offer the evidence in the proceeding before the commissioner, the court may order that the additional evidence be taken before the commissioner. The evidence must be offered at the hearing in the manner and on the terms and conditions determined by the court. The commissioner may modify findings as to the facts, or make new findings, by reason of the additional evidence taken. The commissioner shall file the modified or new findings which, if supported by the evidence, are conclusive and the commissioner's recommendation, if any, for the modification or setting aside of the commissioner's original order with the return of the additional evidence.

(e) The judgment and decree of the court is final, except that it is subject to review by the court of appeals.

Subd. 3. [ENFORCEMENT.] Violations of a cease and desist order of the commissioner must be punished by the district court under the laws of contempt. Each day of failure to obey a cease and desist order of the commissioner is a separate violation and each violation of a particular act enjoined by the court is a separate violation.

Sec. 14. [32C.13] [CIVIL ACTIONS BY DAMAGED PARTIES.]

Subdivision 1. [TREBLE DAMAGES.] A person who has business or property damaged resulting from a violation of this chapter is entitled to an action in district court to recover three times the damages plus costs, including reasonable attorneys fees.

Subd. 2. [REQUEST FOR COMMISSIONER TO SEEK INJUNCTIVE RELIEF.] A person who is damaged or is threatened with damage or loss from a violation of this chapter may request the commissioner to seek injunctive relief under section 12, subdivision 3, against all persons involved in a violation or threatened violation of this chapter.

Subd. 3. [TORT ACTION WITH INJUNCTIVE RELIEF.] A person entitled to an action may sue both in tort and for injunctive relief and may recover for all loss, damage, or injury arising from the continued violation to the time of trial or hearing of the action.

Sec. 15. [32C.14] [DAIRY PROCESSOR ASSESSMENTS.]

Subdivision 1. [FEES.] (a) To administer and enforce this chapter, the commissioner may charge each processor the following maximum fees:

(1) one cent per hundredweight on all milk processed or used in the manufacture of a dairy product sold in this state or manufactured in this state for sale in this state;

(2) 0.75 cent per gallon of frozen foods sold in this state or manufactured in this state for sale in this state;

(3) 1.05 cents per gallon of ice milk mix; and

(4) 1.425 cents per gallon of ice cream mix.

(b) The commissioner may fix the fees at a lesser amount and may adjust the fees if the cost of administering and enforcing this chapter can be paid with less than the maximum fees.

Subd. 2. [COLLECTION.] (a) If the fees are:

(1) less than \$60 annually, the fees must be paid within 30 days following the end of the calendar year;

(2) less than \$240 annually, payment must be made quarterly within 30 days following the end of the quarter; or

(3) equal to or more than \$240 annually, payment must be made monthly within 30 days following the end of the month when due.

(b) A penalty amounting to ten percent of the fees due must be imposed by the commissioner for each month the fees are delinquent.

Subd. 3. [DAIRY MARKETING ACCOUNT.] The dairy marketing account is established in the state treasury. The fees collected by the commissioner under this section must be deposited in the state treasury and credited to the dairy marketing account. The money in the dairy marketing account is continuously appropriated to the commissioner to be used as a revolving fund for administering and enforcing this chapter.

Sec. 16. [32C.15] [MINNESOTA DAIRY COMMISSION.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP; SUNSET.] (a) The Minnesota dairy commission of nine members is established consisting of:

(1) the commissioner of agriculture or the commissioner's designee;

(2) a representative from the University of Minnesota designated by the dean of the school of agriculture;

(3) one retail grocer appointed by the governor;

(4) one consumer appointed by the governor;

(5) three milk producers appointed by the governor; and

(6) two dairy processors appointed by the governor.

(b) The governor shall make appointments to the commission not later than August 1, 1988.

(c) The commission shall select a chair from among its members.

(d) The commission sunsets on June 30, 1990.

Subd. 2. [OBJECTIVES.] The objectives of the commission are increased profitability of individual dairy farms and the establishment of long-range goals, objectives, and strategies for the dairy industry in the state.

Subd. 3. [DUTIES; RESPONSIBILITIES; DEADLINES.] Not later than June 1, 1989, the commission shall:

(1) compile existing information on increasing profitability for dairy farmers;

(2) establish a mechanism to efficiently disseminate information and the findings of the commission to dairy farmers;

(3) establish working relationships with appropriate agencies and organizations in neighboring states in an attempt to coordinate information gathering and dissemination and the development of regional dairy policy;

(4) examine available data on patterns and relationships between changes in the purchase price of raw milk from dairy farmers and changes in the retail price of dairy products purchased by the consumer;

(5) examine and evaluate ways in which computer hardware and software could be utilized by dairy farmers to more effectively analyze dairy herd performance and farm operating strategies; and

(6) prepare a preliminary draft of long-range goals, objectives, and strategies for the dairy industry in Minnesota and the upper midwest.

Subd. 4. [PILOT PROJECTS; DEMONSTRATIONS.] The commission may sponsor and oversee pilot projects and demonstrations on dairy farms. The projects must be of general applicability to family size dairy farms of the state. Pilot projects and demonstrations must apply strategies and practices for increasing the profitability of dairy farms and increasing income levels for individual dairy farmers.

Sec. 17. [ACCOUNT TRANSFER.]

The commissioner of finance shall transfer the remaining balance in the dairy industry unfair trade practices account to the dairy marketing account.

Sec. 18. [APPROPRIATION.]

Subdivision 1. [MINNESOTA DAIRY COMMISSION EXPENSES.] § is appropriated from the dairy marketing account to the commissioner of agriculture for expenses of the Minnesota dairy commission under section 16.

Subd. 2. [PILOT PROJECTS AND DEMONSTRATIONS.] § is appropriated from the dairy marketing account to the commissioner of agriculture to be matched on a dollar-for-dollar basis by private funds to sponsor pilot projects and demonstrations under section 16, subdivision 4.

Sec. 19. [REPEALER.]

Minnesota Statutes 1986, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.08; and 32A.09, are repealed.

Sec. 20. [EFFECTIVE DATE.]

This act is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing procedures for the orderly marketing of dairy products; authorizing enforcement of disruptive trade practices; providing remedies and penalties; authorizing assessments on milk processors; establishing the Minnesota dairy commission; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, chapter 32A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1556, A bill for an act relating to children; establishing a program of cultural opportunities for kids; requiring certain nonprofit organizations to admit low-income families to events at

reduced prices; amending Minnesota Statutes 1986, sections 290A.07, by adding a subdivision; 297A.25, subdivision 24; and proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [37.235] [REDUCED ADMISSIONS.]

The society shall allow families qualified for reduced admission to be admitted to the fairgrounds during the annual fair by paying one-half of the fees they would otherwise be charged.

Sec. 2. Minnesota Statutes 1987 Supplement, section 85.052, subdivision 3, is amended to read:

Subd. 3. [FEE FOR CERTAIN PARKING AND CAMPSITE USE.]

(a) An individual using spaces in state parks under subdivision 1, clause (2), shall be charged daily rates determined and set by the commissioner in a manner and amount consistent with the type of facility provided for the accommodation of guests in a particular park and with similar facilities offered for tourist camping and similar use in the area.

(b) The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer parking spaces is one-half of the fee set in paragraph (a) for families qualified for reduced admission under section 3.

(c) The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer coach parking spaces is one-half of the fee set in paragraph (a) on Sunday through Thursday of each week for:

(1) an individual age 65 or over who is a resident of the state and who furnishes satisfactory proof of age and residence;

(2) a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1; or

(3) a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3.

Sec. 3. Minnesota Statutes 1986, section 85A.02, subdivision 17, is amended to read:

Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The schedule must allow

families qualified for reduced admission to be admitted at any time by paying one-half the fees they would otherwise be charged under this section. The board shall have a policy encouraging the admission of elementary school children at no charge when part of an organized school activity. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 4. [268.56] [CULTURAL OPPORTUNITIES FOR FAMILIES.]

Subdivision 1. [FINDINGS.] The legislature finds that:

(1) there are many cultural and recreational opportunities available throughout the state;

(2) many families are prohibited from attending cultural and recreational events because they cannot afford the cost of admission;

(3) attending a cultural or recreational event is a positive way to reinforce the family unit; and

(4) a number of organizations offer reduced admission to their events or premises but these admissions are often not available to whole families or are not available at times when a working family could attend.

Subd. 2. [PROGRAM ESTABLISHED.] The commissioner shall establish Cultural Opportunities for Families, a program to provide low-income families with access to cultural and recreational events. The program allows families qualified for reduced admission to attend cultural and recreational events at a reduced admission cost. Reduced admissions must be available in a manner that preserves the dignity of the participating family.

Subd. 3. [DEFINITIONS.] For purposes of this section, the following words have the meanings given:

(a) "Cultural and recreational events" means events sponsored by or admission to the premises of a participating public or tax-exempt organization.

(b) "Eligible family" means a family as defined in the child care sliding fee program with at least one child under the age of 13 whose household income meets the guidelines of the low-income energy assistance program.

(c) "Family qualified for reduced admission" means at least one child under age 13 who presents a cultural opportunity coupon and

who is accompanied by a parent, adult relative, or other adult who regularly takes part in the life of the child.

(d) "Participating public organization" means an entity required by law to offer reduced admission to families with cultural opportunity coupons.

(e) "Participating tax-exempt organization" means an association, corporation, or other group of persons that qualifies for exemption from payment of sales tax under section 297A.25, subdivision 24, and elects to participate in the Cultural Opportunities for Families program.

(f) "Reduced admission cost" means a reduction of at least 50 percent in the cost of admission to the premises or event.

Subd. 4. [DUTIES OF COMMISSIONER.] The commissioner shall:

(1) Administer the Cultural Opportunities for Families program through the low-income energy assistance program;

(2) Distribute to each agency that administers the low-income energy assistance program books of coupons allowing reduced admission to cultural and recreational events. Each coupon book must contain six coupons valid for one year. Each coupon must admit a family qualified for reduced admission to cultural or recreational events;

(3) Develop a reporting form to be used by participating public and tax-exempt organizations in reporting use of cultural opportunity coupons;

(4) Collect, summarize, and distribute data from the reporting forms;

(5) Prepare and submit to the legislature by January 1, 1990 a report showing use of the cultural opportunities for families program.

Subd. 5. [DUTIES OF AGENCY.] Agencies that administer the low-income energy assistance program must:

(1) publicize to clients the availability of cultural opportunity coupons;

(2) advertise the Cultural Opportunities for Families program in places accessible to clients;

(3) distribute cultural opportunity coupons to eligible families; and

(4) inform and solicit the participation of organizations in their communities that offer cultural and recreational events.

Subd. 6. [DUTIES OF PARTICIPATING ORGANIZATIONS.] The duties of a participating organization are:

(1) to develop and implement a program for reducing the cost and increasing the accessibility of admission to the premises or events for families qualified for reduced admission; and

(2) to report annually to the commissioner on the organization's receipt of cultural opportunity coupons and the specific terms of their use.

Sec. 5. [APPROPRIATION.]

§ is appropriated to the commissioner of jobs and training for the purposes of section 3."

Delete the title and insert:

"A bill for an act relating to children; providing reduced fees and admissions for low-income families; establishing a program of cultural opportunities for families; requiring certain public and tax-exempt organizations to admit low-income families at reduced prices; appropriating money; amending Minnesota Statutes 1986, section 85A.02, subdivision 17; Minnesota Statutes 1987 Supplement, section 85.052, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 37 and 268."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1731, A bill for an act relating to intoxicating liquor; exempting new municipal liquor stores from vote on discontinuance for failure to show a profit; amending Minnesota Statutes 1986, section 340A.602.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONTINUANCE OF MUNICIPAL LIQUOR STORE IN PROCTOR.]

Notwithstanding the provisions of Minnesota Statutes, section 340A.602, the city of Proctor may continue to operate a municipal liquor store without holding a public hearing on the continuation of the municipal liquor store under that section or without being required to submit the continuation of the municipal liquor store to a referendum under that section. The authority granted by this section expires five years from the effective date of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on approval by the Proctor city council and compliance with Minnesota Statutes, section 645.021.”

Delete the title and insert:

“A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store.”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1732, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1767, A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

Reported the same back with the following amendments:

Page 1, delete lines 12 to 16, and insert "include the name of each mortgagor who, at the time of first publication of the notice, has been released from financial obligation on the mortgage and a statement that the named mortgagor has been released from financial obligation on the mortgage."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1779, A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.06.

Reported the same back with the following amendments:

Page 1, line 19, after "of" insert "freeze-dried"

Page 1, line 23, after the period insert "The department of agriculture shall supply license copies."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

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.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1815, A bill for an act relating to economic development; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 7, and by adding a subdivision; 469.175, by adding a subdivision; and 469.176, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 2, line 16, after the period insert “The commissioner may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund’s purpose.”

Page 3, line 11, after “contaminants” insert “or petroleum releases”

Page 3, line 13, after “demolition,” insert “and”

Page 3, line 13, after “correction” insert “necessitated by the development response action plan”

Page 3, line 15, after “removal” insert “actions”

Page 3, line 23, after “remedial” insert “actions”

Page 3, line 34, after “removal” insert “actions”

Page 4, line 4, after “removal” insert “actions”

Page 4, line 22, delete “or”

Page 4, line 24, after “115B.20” insert “, the petroleum tank release cleanup act under chapter 115C”

Page 4, line 25, delete “consent” and insert “approval”

Page 4, line 31, delete “agency” and insert “commissioner”

Page 5, line 9, delete the colon

Page 5, delete lines 10 to 17

Page 5, line 18, delete “(8)”

Page 5, line 18, delete “other” and insert “such”

Page 5, line 19, delete "agency" and insert "commissioner"

Page 5, line 28, delete "improvement" and insert "improvements"

Page 5, line 28, delete the second "and" and insert "demolition, soil compaction correction, and administrative and legal"

Page 5, line 33, delete "parties" and insert "persons"

Page 6, line 3, delete "parties" and insert "persons"

Page 6, line 4, delete everything after the period and insert "The commissioner may require the municipality to assign any claim against a responsible party to the state if the commissioner of the pollution control agency is willing to pursue the claim. Cost recovery sought under this subdivision must conform to the requirements of section 115B.17, subdivision 6, except that amounts recovered must be deposited in the loan fund established in section 2."

Page 6, delete lines 5 and 6

Page 6, line 16, after "3," insert "a plan or proposal for"

Page 6, line 17, delete "constitute" and insert "constitutes"

Page 6, line 18, after "actions" insert "contained in such plan or proposal"

Page 6, line 25, before the semicolon insert "or pollutant or contaminant"

Page 11, line 25, after "site" insert "established under section 6"

Page 11, line 26, before the period insert "established under section 7"

Page 11, line 28, before "\$" insert "Subdivision 1. [STATE BUILDING FUND.]"

Page 11, line 36, before "\$" insert "Subd. 2. [POLLUTION CONTROL AGENCY.]"

Page 12, after line 2, insert:

"Subd. 3. [COMMISSIONER OF TRADE AND ECONOMIC DEVELOPMENT.] \$ is appropriated from the general fund to the commissioner of trade and economic development to administer the hazardous substance loans under section 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1822, A bill for an act relating to the city of St. Cloud; authorizing an on-sale liquor license for the St. Cloud Civic Center.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

“Section 1. [SALE OF INTOXICATING LIQUOR AT ST. CLOUD CIVIC CENTER.]

Notwithstanding any law, charter provision or ordinance to the contrary, the city of St. Cloud may:

(1) dispense intoxicating liquor at on-sale at the premises known and used as the St. Cloud Civic Center without a license therefor, or

(2) authorize the holder of a retail intoxicating liquor license issued by the city of St. Cloud or an adjacent city to dispense intoxicating liquor at the premises known and used as the St. Cloud Civic Center, provided that the licensee has been engaged to dispense intoxicating liquor at an event held by the city or by a person or organization permitted to use the premises.

Intoxicating liquor may be dispensed at the St. Cloud Civic Center under this section only to members or guests of a person or organization leasing space in the premises for a convention, banquet, conference, meeting, or social event, but not for any elementary, secondary, or college athletic event. Authority to dispense intoxicating liquor under this section is in addition to any license authorized by law or ordinance. All provisions of law, charter, or ordinance governing the sale and serving of intoxicating liquor not inconsistent with this section shall govern the dispensing of intoxicating liquor under this section.”

Delete the title and insert:

“A bill for an act relating to intoxicating liquor; authorizing the dispensing of intoxicating liquor at the St. Cloud Civic Center.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1831, A bill for an act relating to Becker county; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake.

Reported the same back with the following amendments:

Page 1, line 8, after "may" insert "with the approval of the commissioner of public safety,"

Page 1, after line 18, insert:

"Sec. 2. [FORT SNELLING LICENSE.]

The commissioner of public safety may issue an on-sale intoxicating liquor license to an establishment located on a watercraft moored at Fort Snelling state park. The license may authorize on-sales only to persons on the licensed premises while the boat is underway or attached to a dock or other mooring. The commissioner shall set the fee for the license in an amount comparable to on-sale fees in cities adjacent to Fort Snelling state park."

Renumber sections in sequence

Amend the title as follows:

Page 1, line 2, delete "Becker county" and insert "intoxicating liquor"

Page 1, line 4, before the period insert ", Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1864, A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1893, A bill for an act relating to youth employment; providing planning grants for the design of youth employment programs; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 8, the following terms have the meanings given them.

Subd. 2. [ADVISORY COMMITTEE.] “Advisory committee” means the committee established in section 3.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of education.

Subd. 4. [ELIGIBLE ORGANIZATION.] “Eligible organization” means a public agency or a nonprofit organization that can demonstrate an ability to design a program for education and training services provided to targeted youth. Eligible organizations may include local jurisdictions, public school districts, private nonsectarian schools, post-secondary educational institutes, alternative schools, community groups, and labor organizations.

Subd. 5. [HOMELESS INDIVIDUAL.] “Homeless individual” or “homeless person” means:

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) an individual who has a primary nighttime residence that is;

(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to federal or state law.

Subd. 6. [TARGETED YOUTH.] "Targeted youth" means persons that are at least 16 years of age and are not older than 21 years of age and are part of one of the following groups:

(1) persons who are not attending any school and have not received a secondary school diploma or its equivalent; or

(2) persons currently enrolled in a traditional or alternative school setting or a GED program and who, in the opinion of an official of the school, are in danger of dropping out of the school.

Subd. 7. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 30 percent of the median income for the Minneapolis-St. Paul metropolitan area.

Sec. 2. [PLANNING GRANTS.]

The commissioner shall make grants of up to \$ to eligible organizations for the design of programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to be designed to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a planning grant. The commissioner of the state planning agency to administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines to meet the requirements for receiving a planning grant. The commissioner must select from the committee's list at least five organizations to receive the planning grants with at least one organization located in each of the cities of Minneapolis and St. Paul, two organizations located outside the metropolitan area defined in Minnesota Statutes, section 473.121, subdivision 2, and one organization in a suburban area.

Sec. 3. [ADVISORY COMMITTEE.]

A 13-member advisory committee is established to assist the

commissioner in selecting eligible organizations to receive planning grants, evaluating the final reports of each organization and providing recommendations to the legislature. The advisory committee consists of representatives of the commissioners of education, human services, and jobs and training; a representative of the state director of vocational education; a representative of the commissioner of the housing finance agency; the director of the office of jobs policy; and seven public members appointed by the governor. Each of the following groups must be represented by a public member; labor organizations, local educators, community groups, consumers, local housing developers, youth between the ages of 16 and 21, and homeless person. At least three of the public members must be from outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The commissioner of the state planning agency may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 4. [PROGRAM PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 2 are for the design of a youth employment program directed at targeted youth who are likely at risk of not completing their high school education. Each program design must include education, work experience, and job skills components.

Subd. 2. [EDUCATION COMPONENT.] Each program design must contain an education component that requires program participants who have not completed their secondary education to be enrolled in a traditional public or private secondary school, a suitable alternative school setting or a GED program. Program participants must be working toward the completion of their secondary education or literary advancement.

Subd. 3. [WORK EXPERIENCE COMPONENT.] A work experience component must be included in each program design. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities and a training subsidy or stipend may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low income families, and must include direct supervision by individuals skilled in each specific vocation. The program design must include an examination of how program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design.

This component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 5. [ELIGIBLE PROGRAM PROVIDERS.] Each program design must include the examination of the types of organizations that would administer and operate the program. The types of organizations examined must include public school districts, private nonsectarian schools, alternative schools, local jurisdictions, housing related groups, community groups, and labor organizations or a joint effort among two or more of these organizations.

Sec. 5. [HOUSING FOR HOMELESS.]

Subdivision 1. [REQUIREMENT.] The work experience component of the youth employment and training program described in section 4 must include work projects that provide residential units through construction or rehabilitation for the homeless and families with very low incomes.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

(1) homeless families with at least one dependent;

(2) other homeless individuals;

(3) other very low income families and individuals; and

(4) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. This examination must include the review of possible sources of property and funding through federal, state, or local agencies, including the federal Department of Housing and Urban Development, Farmers Home Administration housing finance agency and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 6. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.]

Each organization that is awarded a planning grant under section 2 must prepare and submit a report to the commissioner by January 15, 1989. The report must address each of the following:

(a) The method for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant.

(b) The support services and social services that targeted youth require and the means of providing those services to program participants. Services may include client needs assessment, preemployment skills such as basic job skills and behavior, and intermediate needs such as education and chemical dependency treatment.

(c) The type and degree of work experience that program participants must participate in including real work experience in both vocational and nonvocational settings.

(d) The amount of training subsidy or stipend that each participant should receive while participating in the work experience component. The subsidy or stipend must reflect prevailing wage and benefits standards appropriate for preapprenticeship training unless a participant's receipt of public assistance is affected. The subsidy or stipend should be structured to include incentives for progress toward increasing job skills and completing their secondary education.

(e) The identification and means of providing the necessary job readiness skills so that program participants who have completed the work experience and educational components of the program may have the ability to compete in the job market. These job search skills may include skills assessment, job search and selection, application preparation and assistance in preparing for job interviews.

(f) The methods that may be used to assist in placing program participants in suitable employment. This should include means of involving state government, businesses, labor organizations, community groups, and local jurisdictions in assisting in the placement.

(g) A plan for evaluating the program including the necessary data elements that must be collected from program participants after they have completed the program to monitor the success of the program.

(h) The method used to maximize parental involvement in the program.

(i) The identification of existing public and private programs that may be utilized by the program to avoid duplication of services.

(j) The identification of regional characteristics that may affect the operation of the program in the specific region that the organization is located.

(k) The identification and special needs of priority groups of targeted youth. These groups may include:

(1) persons who are responsible for at least one dependent;

(2) persons who are pregnant;

(3) persons who are or have been subject to any stage of the criminal justice system and who may benefit from receiving employment and training services in overcoming barriers to employment resulting from a record of arrest or conviction;

(4) persons receiving income maintenance services and social services, including chemical dependency treatment, vocational rehabilitation services, and protection services;

(5) persons who reside on a farm who personally or whose family derives a substantial portion of their income from farming, lack nonfarm work skills, or have limited access to vocational education or work experience opportunities;

(6) homeless youth; and

(7) minors that are not financially dependent on a parent or a guardian.

(l) Cost estimates for each of the components of the program.

(m) The identification of funding sources other than state appropriations that may be used to support the program.

Sec. 7. [REPORT.]

The commissioner must prepare and submit a report to the legislature and the governor by February 15, 1989, that outlines the various program designs submitted by the organizations that received planning grants. The report must also include recommendations on which components of the program designs are most suitable to meeting the needs of targeted youth. The advisory committee must participate in the preparation of this report and in the formulation of the recommendations.

Sec. 8. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of education for the planning grants awarded under section 2.

Amend the title as follows:

Page 1, line 2, after "youth" insert "education and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1904, A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1931, A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; providing for county management access road account; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 89.001, is amended by adding a subdivision to read:

Subd. 14. "State forest management road" means a road constructed, acquired, maintained, or administered by the commissioner for the purpose of carrying out forest resource management policy as set forth in section 89.002.

Sec. 2. Minnesota Statutes 1986, section 89.19, is amended to read:

89.19 [RULES.]

The commissioner ~~shall have power to~~ may prescribe such rules governing the use of state forest lands under the authority of the commissioner and state forest management roads, or any ~~part~~ parts thereof, by the public ~~or~~ and governing the ~~exercising~~ exercise by holders of leases or permits ~~upon state on forest lands and state forest management roads of all their rights under such the leases or permits as may be necessary to carry out the purposes of this chapter.~~

Sec. 3. [89.29] [STATE FOREST ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED:] There is created in the state treasury a state forest road account, consisting of funds credited under section 7. Funds credited to the state forest road account are continually appropriated to the commissioner and remain available until expended.

Subd. 2. [EXPENDITURE.] Money in the state forest road account may be appropriated by law only for:

(1) acquisition, development, maintenance, and administration of state forest management roads under the jurisdiction of the commissioner of natural resources; and

(2) the commissioner's share of the cost of cooperative maintenance agreements made with other providers of forest roads.

Sec. 4. [89.30] [FOREST MANAGEMENT ROADS.]

Subdivision 1. [DESIGNATION, INVENTORY, RECORDING.] Forest roads, bridges, and other improvements in existence on July 1, 1988, and administered under section 89.002, subdivision 3, are hereby designated as state forest management roads to the width of the actual use including ditches, backslopes, fills, and maintained right-of-way, unless otherwise specified in a prior easement of record. The commissioner may undesignate all or part of a state forest management road that is not needed to carry out forest resource management policy. The commissioner shall maintain and keep current an inventory listing and describing roads in which the state claims a right or property interest for state forest management

road purposes. The commissioner may file for record with a county recorder or registrar of titles appropriate documents setting forth the state's interest in all or part of any state forest management road.

Subd. 2. [RIGHT-OF-WAY.] After July 1, 1988, additional rights-of-way and easements, including easements needed for drainage or slopes, may be acquired by the commissioner by purchase or gift and by condemnation for safety and/or environmental protection on existing roads and to provide access to tracts of public land larger than 1,000 acres having no access, following a public meeting in the area affected. Rights-of-way and easements shall be designated as state forest management roads when needed for construction, maintenance, or safety of roads.

Subd. 3. [CONSTRUCTION; MAINTENANCE.] The commissioner shall develop specifications for the design and construction of state forest management roads and shall establish maintenance schedules for forest roads consistent with their intended use.

Subd. 4. [RULES.] In promulgating rules relating to the use of state forest management roads, the commissioner may incorporate into the rules, by reference, traffic regulations contained in chapter 169.

Subd. 5. [POSTING OF MINIMUM-MAINTENANCE FOREST MANAGEMENT ROADS.] The commissioner may designate a state forest management road as a minimum-maintenance forest management road to be maintained at a level consistent with the intended use. Designation of a state forest management road as a minimum-maintenance forest management road is effective on the posting of signs, at entry points to the road and at regular intervals along the road, to the effect that the road is a minimum-maintenance forest management road and that the user travels on the road at the user's risk. Posting of the signs is prima facie evidence that adequate notice of minimum-maintenance status has been given to the public.

Subd. 6. [LIABILITY ON FOREST MANAGEMENT ROADS.] The commissioner and employees of the department are not liable for any claim by a person arising on a forest management road that is not in a state forest to the same extent that they are not liable for claims that arise on roads within a state forest under the provisions of section 3.736, subdivision 3, clause (h).

Subd. 7. [CONVEYANCE OF UNNEEDED ROADS TO OTHER GOVERNMENTS.] When the commissioner undesignates a state forest management road and determines that the road is no longer needed for any state purpose, the commissioner may convey, in the manner provided in section 84.63, the state interest in the road to

the United States, the state of Minnesota, or any of its subdivisions, whether or not the road is on state land.

Subd. 8. [COMMISSIONER NOT A ROAD AUTHORITY UNDER HIGHWAY LAWS.] Except as otherwise provided, the commissioner is not a road authority under chapters 160 to 168, and chapters 160 to 168 do not apply to forest management roads unless specifically made applicable by law or rule promulgated in accordance with law.

Sec. 5. [89.305] [COUNTY MANAGEMENT ACCESS ROAD ACCOUNT.]

Counties may receive payments for constructing, reconstructing, and maintaining county forest access roads from funds made available through unrefunded tax paid on gasoline and special fuels used to operate vehicles on county forest roads. This amount is \$275,000 annually and must be paid in equal installments into the state treasury on September 30 and March 31, following each six-month period from the account established pursuant to section 296.421, subdivision 8, must be credited to a special county account administered by the commissioner, to be known as the county management access road account, is continually appropriated to the commissioner, and must be made available in the form of annual payments to counties managing forest lands administered through a county land department under the jurisdiction of a land commissioner appointed under section 282.13. These payments must be made available in the form of annual payments by January 1 of each year through the commissioner and in proportion to each county's ownership of commercial forest lands, for purposes of constructing, reconstructing, acquiring, and maintaining county management access roads, including the acquisition of rights-of-way or easements, as may be needed. Counties having county forest access roads may also use these payments to study, determine, and inventory by December 31, 1989, these roads and their use by logging trucks, recreational vehicles, and other users.

Sec. 6. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [INTENT; FOREST ROADS.] \$675,000 of the total unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest roads, and of this sum, \$400,000 is derived from motor vehicles operated on state forest roads and \$275,000 is derived from motor vehicles operated on county forest roads in this state.

Sec. 7. Minnesota Statutes 1986, section 296.421, is amended by adding a subdivision to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNRE-FUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is \$675,000 annually and must be paid in equal installments into the state treasury six months, 12 months, 18 months, and 24 months after the effective date of this section. Of this amount, \$400,000 is annually credited to the state forest road account and \$275,000 is annually credited to the county management access road account.

Sec. 8. Laws 1987, chapter 404, section 22, subdivision 4, is amended to read:

Subd. 4. Forest Management

\$20,616,500 \$20,780,500

Summary by Fund

General	\$14,839,300	\$15,003,200
Con. Con.	\$ 250,000	\$ 250,000
Forest Management	\$ 5,527,200	\$ 5,527,300

The divisions of forestry and fish and wildlife must coordinate the harvesting of trees in order to ensure optimum wildlife habitat benefits and water quality of adjacent streams or lakes.

\$750,000 the first year and \$750,000 the second year are for emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The unencumbered balance of any other appropriation from the general fund to the commissioner of natural resources remaining in the first year must not be canceled but must be transferred and added to this appropriation for the second year. No more than \$400,000 the first year and \$410,000 the second year are available for presuppression costs.

Up to \$120,000 per year from the general fund under Minnesota Statutes, section 89.04 may be used

for grants to the soil and water conservation board for cost-sharing with landowners in the state forest improvement program.

\$500,000 the first year and \$500,000 the second year are for grants to counties or groups of counties for county forestry assistance programs.

The commissioners of natural resources, revenue, and transportation shall jointly study and determine the amount of unrefunded gas tax attributable to forest logging trucks and recreational vehicles that use forest roads and other uses of forest roads under the authority of the commissioner. Their findings and determinations must be reported to the chairs of the house appropriations and senate finance committees by December 1, 1988, along with proposed changes to Minnesota Statutes, section 296.421, that reflect their determinations.

Sec. 9. [STUDY AND REPORT TO LEGISLATURE.]

The commissioner of transportation shall study and determine the percentage of total revenue received from the gasoline and special fuel tax that is derived from gasoline and special fuel for the operation of motor vehicles on state forest roads and county forest roads from May 1, 1988, to April 30, 1989. The commissioner shall report the results of this study by December 31, 1989, to the transportation committees of the senate and house of representatives.

Sec. 10. [REPEALER.]

Sections 6 and 7 are repealed, effective the day after the final installment is paid into the state treasury under section 7.

Sec. 11. [EFFECTIVE DATE.]

Sections 1, 2, 4, 6, and 7 are effective July 1, 1988. Sections 3, 5, 8, and 9 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 9, before "and" insert "296.16, by adding a subdivision,"

Page 1, line 10, delete everything after the semicolon and insert "Laws 1987, chapter 404, section 22, subdivision 4;"

Page 1, delete line 11

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1954, A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Reported the same back with the following amendments:

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1986, section 173.085, is amended to read:

173.085 [STAR CITY SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] (a) A county or lesser populated statutory or home rule charter city of Minnesota that has received instruction and expertise from the department of energy and economic development on attracting and retaining businesses for the county or city and subsequently has been designated and annually recertified as a star county or star city for economic development by that department may erect star county or star city signs upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. In the case of star cities,

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. In the case of star counties, one sign may be erected within the right-of-way of an interstate or other highway at or near the point where the highway enters the county.

(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. A county that has an official sign on the right-of-way or adjacent area of an interstate highway at the point where the highway enters the county may replace that sign with a star county sign on payment of a fee required under section 173.13, subdivision 4, to the department of transportation.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the star county and star city sign signs to specifications not contrary to other federal and state highway sign standards and substantially similar to those star city signs approved for display on state highways as of August 1, 1985."

Page 5, line 16, delete "3 to 5" and insert "4 to 6"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing star county signs on highways;"

Page 1, line 15, after the semicolon insert "173.085;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2019, A bill for an act relating to housing; enabling counties and cities to establish low income housing trust funds; assessing a mortgage registry tax to finance the low income housing trust fund, and providing for the uses of the funds; amending Minnesota Statutes 1986, sections 287.05, by adding a subdivision;

and 287.12; proposing coding for new law in Minnesota Statutes, chapters 373 and 462.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6, is amended to read:

Subd. 6. “Trust account” means, for purposes of this chapter, a savings account, negotiable order of withdrawal account, demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account ~~shall not~~ must be an interest bearing account except by agreement of the parties and subject to rules of the commissioner, paying the current passbook savings account rate of interest and shall ~~must~~ not allow the financial institution a right of set off against money owed it by the licensee.

Sec. 2. Minnesota Statutes 1986, section 82.24, is amended by adding a subdivision to read:

Subd. 8. [ACCRUED INTEREST.] (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 3 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the depository bank to:

(1) pay the interest, less reasonable transaction costs, on the average monthly balance in the account, or as otherwise computed in accordance with the depository bank's standard accounting practice, at least quarterly, to the state treasurer for deposit in the housing trust fund account established under section 3; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

Sec. 3. [462A.201] [HOUSING TRUST FUND ACCOUNT.]

Subdivision 1. [CREATION.] (a) The housing trust fund account is created as a separate account in the housing development fund.

(b) The housing trust fund account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) interest accrued from real estate trust accounts as provided under section 2;
- (3) gifts, grants, and donations received from the United States, private foundations, and other sources; and
- (4) money made available to the agency for the purpose of the account from other sources.

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. At least 75 percent of the units must be rented to or cooperatively owned by persons and families whose income at the time the person or family originally occupied the unit was at or below 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 360 days or until the permanent rules are adopted, whichever occurs first.

Subd. 3. [MATCHING FUNDS.] The agency may use money from the housing trust fund account to match federal, local, or private money to be used for projects authorized under subdivision 2.

Subd. 4. [ADVISORY COMMITTEE.] The agency shall establish an eight member advisory committee under section 15.059 to advise or assist the agency in providing loans or grants from the housing trust fund account. Members of the committee must represent the interests of realtors, lenders, nonprofit developers, apartment owners, low income persons, housing advocates, advocates for the homeless, and single or multifamily builders."

Delete the title and insert:

"A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account;

placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, section 82.24, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2022, A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, subdivision 1.

Reported the same back with the following amendments:

Page 3, line 3, after the comma insert "Minnesota Hampshire Association, Minnesota Suffolk Association, North American Dairy Sheep Association."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2038, A bill for an act relating to employment; regulating youth employment programs; providing for compensation at the state or federal minimum wage; regulating employment contracts; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34.

Reported the same back with the following amendments:

Page 1, line 21, after the period insert "The amount spent on support services in any one fiscal year may not exceed 15 percent of the total annual appropriation for this program."

Page 2, line 4, before "Program" insert "The maximum number of hours that an individual may be employed in a position supported under this program is 480 hours."

Page 2, after line 12, insert:

“Sec. 2. [268.315] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An employer may not terminate, lay off, or reduce the working hours of an existing employee for the purpose of hiring a person with funds available under section 268.31.

Subd. 2. [HIRING DURING LAYOFFS.] An employer may not hire a person with funds available under section 268.31 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. [EMPLOYER CERTIFICATION.] In order to employ a person with funding under section 268.31, a government or non-profit agency must certify to the commissioner that each job created:

(a) will result in an increase in employment opportunities over those which would otherwise be available;

(b) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(c) will not impair existing contracts for service or result in the substitution of wages paid under section 268.31 for other funds in connection with work that would otherwise be performed.”

Page 2, line 29, strike “summer”

Page 2, line 36, delete “3” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert “requiring that new jobs do not replace existing jobs;”

Page 1, line 6, before the period insert “; proposing coding for new law in Minnesota Statutes, chapter 268”

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2041, A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; requiring certain reports; prescribing a civil penalty;

amending Minnesota Statutes 1986, section 500.24, subdivisions 3 and 4; and Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) “Farming” means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) “Family farm” means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) “Family farm corporation” means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) “Authorized farm corporation” means a corporation meeting the following standards:

(1) its shareholders do not exceed five in number;

(2) all its shareholders, other than any estate are natural persons;

(3) it does not have more than one class of shares; and

(4) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) shareholders holding a majority of the shares 90 percent of the interest in the corporation must be residing on the farm or actively engaging in farming; and

(6) it, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm; authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(h) "Family farm partnership" means a partnership founded for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of its partners are corporations; provided that a family farm partnership shall not cease to qualify as such hereunder by reason of any devise or bequest of interest in the partnership.

(i) "Authorized farm partnership" means a partnership meeting the following standards:

- (1) its partners do not exceed five in number;
- (2) all its partners, other than any estate are natural persons;
- (3) it does not have more than one class of partnership interests;
- (4) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;
- (5) partners holding 90 percent of the interest in the partnership must be residing on the farm or actively engaging in farming; and

(6) it, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

(j) "Partnership" includes general partnership or limited partnership.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation or pension or investment fund or partnership shall engage in farming; nor shall any corporation or pension or investment fund or partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions provided in this subdivision shall not apply to the following:

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation or an authorized farm corporation as defined in subdivision 2;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973 or a pension or investment fund as of May 12, 1981, or a partnership as of May 1, 1988, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, or in the case of a partnership, as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes, provided that any commercial sales from such farm shall be incidental to the research or experimental objectives of the corporation or partnership;

(e) Agricultural land operated by a corporation or partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of

May 20, 1973, or to such partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious or charitable nonprofit corporation or by a pension or investment fund or partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed; wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation or partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten five years after acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year five-year period except under a lease to a family farm unit, a family farm corporation or, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year limitation period shall be deemed a covenant-run-

ning with the title to the land against any pension or investment fund or corporate or partnership grantee or assignee or the successor of such pension or investment fund or corporation or partnership;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, ~~or~~ a family farm corporation, or a family farm partnership;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973 for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d) but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of subdivision 3 under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975 in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978 and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995.

Sec. 3. [EFFECTIVE DATE.]

This act is effective May 1, 1988."

Delete the title and insert:

"A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivision 3; Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2049, A bill for an act relating to commerce; motor vehicles; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; and 168.27, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80E.

Reported the same back with the following amendments:

Page 9, line 16, after "chapter" insert ", or prevent a new motor vehicle dealer from bringing an action in a particular forum otherwise available under law".

Page 9, delete section 7

Renumber remaining sections in sequence

Amend the title as follows:

Page 1, line 10, delete "168.27, subdivision 4;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2087, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

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.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2091, A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

Reported the same back with the following amendments:

Page 1, line 22, delete "as adjusted annually under"

Page 1, line 23, delete the new language

Page 2, line 1, delete "as adjusted annually under paragraph (c)"

Page 2, delete lines 13 to 19 and 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.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2098, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116L.015, subdivision 3; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 9, insert:

“Sec. 2. Minnesota Statutes 1987 Supplement, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] “Excavation” means an activity that moves, removes, or otherwise disturbs the soil at a depth of 18 inches or greater by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116L.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch; or

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, landscaping, or gardening, unless any of these activities disturbs the soil to a depth of 18 12 inches or more.”

Page 3, line 13, delete “18” and insert “19”

Page 3, line 30, before the period insert “distribution systems”

Page 4, line 12, strike "state fire marshal" and insert "commissioner"

Page 4, line 15, strike "Power" and insert "Energy Regulatory"

Page 4, line 27, strike "STANARDS" and insert "STANDARDS"

Page 5, line 15, strike "Power" and insert "Energy Regulatory"

Page 5, line 22, delete "part" and insert "parts 192 and"

Page 6, lines 2, 6, 9, and 11, delete "18" and insert "19"

Page 7, line 25, delete "18" and insert "19"

Page 7, line 27, delete "3" and insert "4"

Page 7, line 28, delete "before" and insert "after"

Page 7, line 33, after the period insert "Fees collected under this section must be credited to the pipeline safety account."

Page 8, lines 2 and 27, delete "18" and insert "19"

Page 8, line 3, delete "are" and insert "will be"

Page 8, line 18, delete "and" and after "(4)" insert ", and (5)"

Page 8, line 24, delete "following" and insert "preceding"

Page 8, line 26, delete "attributable" and insert "proportionate"

Page 13, line 2, delete "354" and insert "353"

Page 13, line 8, delete "5" and insert "6"

Page 13, line 12, delete "21" and insert "22"

Renumber sections in sequence

Correct internal cross-references

Amend the title as follows:

Page 1, line 7, after the semicolon insert "removing the depth limitation for the one call excavation notice system;"

Page 1, line 12, after the semicolon insert "216D.01, subdivision 5,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2106, A bill for an act relating to public employees; providing that certain historical society employees be eligible for public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2112, A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409, subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

Reported the same back with the following amendments:

Page 2, line 19, after "cause" insert "2, except for nonpayment of premium,"

Page 2, line 22, after the period insert "A policy required by this section shall not be canceled for nonpayment of premium unless the insurer has first given ten days notice in writing to the issuing authority of the insurer's intent to cancel the policy."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2115, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2130, A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based nonresidential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; ensuring insurance coverage for court-ordered treatment; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62A.152, subdivision 2; and 62D.102; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 253B.02, is amended by adding a subdivision to read:

Subd. 1a. [CASE MANAGER.] “Case manager” has the definition given in section 245.462, subdivision 4.

Sec. 2. Minnesota Statutes 1986, section 253B.02, is amended by adding a subdivision to read:

Subd. 4b. [COMMUNITY-BASED NONRESIDENTIAL TREATMENT.] “Community-based nonresidential treatment” means community support services programs defined in section 245.462, subdivision 6; day treatment services defined in section 245.462, subdivision 8; and outpatient services defined in section 245.462, subdivision 21.

Sec. 3. Minnesota Statutes 1986, section 253B.02, subdivision 13, is amended to read:

Subd. 13. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory which grossly impairs judgment, behavior, capacity to recognize reality, or to reason or understand, which

(a) is manifested by instances of grossly disturbed behavior or faulty perceptions; and

(b) poses a substantial likelihood of physical harm to self or others as demonstrated by:

(i) a failure to obtain necessary food, clothing, shelter, or medical care, as a result of the impairment, or

(ii) a recent attempt or threat to physically harm self or others; or

(ii) a failure to obtain necessary food, clothing, shelter or medical care, as a result of the impairment. This impairment excludes (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by alcohol or drugs, or (d) dependence upon or addiction to any alcohol or drugs.

Sec. 4. Minnesota Statutes 1986, section 253B.02, subdivision 19, is amended to read:

Subd. 19. [TREATMENT FACILITY.] "Treatment facility" means a hospital, community mental health center, or other institution treatment provider qualified to provide care and treatment for mentally ill, mentally retarded, or chemically dependent persons.

Sec. 5. Minnesota Statutes 1986, section 253B.09, subdivision 1, is amended to read:

Subdivision 1. [STANDARD OF PROOF.] If the court finds by clear and convincing evidence that the proposed patient is a mentally ill, mentally retarded, or chemically dependent person and, that after careful consideration of reasonable alternative dispositions, including but not limited to, dismissal of petition, voluntary outpatient care, informal admission to a treatment facility, appointment of a guardian or conservator, or release before commitment as provided for in subdivision 4, it finds that there is no suitable alternative to judicial commitment, the court shall commit the patient to the least restrictive treatment facility program which can meet the patient's treatment needs consistent with section 253B.03, subdivision 7. In deciding on the least restrictive program, the court shall consider a range of treatment alternatives including, but not

limited to, community-based nonresidential treatment, community residential treatment, partial hospitalization, acute care hospital, and regional treatment center services. The court shall also consider the proposed patient's treatment preferences and willingness to participate in the treatment ordered. The court shall not commit a patient to a facility or program that is not capable of meeting the patient's needs.

Sec. 6. [253B.093] [COMMUNITY-BASED NONRESIDENTIAL TREATMENT.]

Subdivision 1. [FINDINGS.] In addition to the findings required under section 253B.09, subdivision 2, an order committing a person to community-based nonresidential treatment must include:

(1) a written plan for services to the patient;

(2) a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment;

(3) conditions the patient must meet in order to obtain an early release from commitment or to avoid a hearing for further commitment; and

(4) consequences of the patient's failure to follow the commitment order. Consequences may include commitment to another setting for treatment.

Subd. 2. [CASE MANAGER.] When a court commits a patient with mental illness to community-based nonresidential treatment, the court shall appoint a case manager from the county agency or other entity under contract with the county agency to provide case management services.

Subd. 3. [REPORTS.] The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of the patient or provider to comply with the conditions of the commitment.

Subd. 4. [MODIFICATION OF ORDER.] An order for community-based nonresidential treatment may be modified upon agreement of the parties and approval of the court.

Subd. 5. [NONCOMPLIANCE.] The case manager may petition for a reopening of the commitment hearing if a patient or provider fails to comply with the terms of an order for community-based nonresidential treatment.

Sec. 7. [253B.095] [RELEASE BEFORE COMMITMENT.]

Subdivision 1. [COURT RELEASE.] After the hearing and before a commitment order has been issued, the court may release a proposed patient to the custody of an individual or agency upon conditions which guarantee the care and treatment of the patient. No person against whom a criminal proceeding is pending shall be released. When the court stays an order for commitment or continues a hearing for more than 14 days beyond the date of the initially scheduled hearing, the court shall issue an order that meets the requirements of this section.

Subd. 2. [STAY OR CONTINUANCE.] An order staying commitment or continuing a hearing for more than 14 days must include:

(1) a written plan for services to which the proposed patient has agreed;

(2) a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment;

(3) a finding that at least one examiner has determined that the proposed patient is mentally ill and, in the case of a continuance, is competent to waive the hearing; and

(4) conditions the patient must meet to avoid a hearing for commitment or imposition of the stayed commitment order.

Subd. 3. [CASE MANAGER.] When a court releases a patient under this section, the court shall appoint a case manager.

Subd. 4. [REPORTS.] The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of a patient or provider to comply with the conditions of the release.

Subd. 5. [DURATION.] The maximum duration of an order under this section is six months. The court may continue the order for a maximum of an additional 12 months if, after notice and hearing, the court finds that (1) the person continues to be mentally ill, and (2) an order is needed to protect the patient or others.

Subd. 6. [MODIFICATION OF ORDER.] An order under this section may be modified upon agreement of the parties and approval of the court.

Subd. 7. [REVOCATION OF ORDER.] The court, on its own motion or upon the petition of any person, and after notice and a hearing, may revoke any release and commit the proposed patient under this chapter.

Sec. 8. Minnesota Statutes 1986, section 253B.15, subdivision 1, is amended to read:

Subdivision 1. [PROVISIONAL DISCHARGE.] The head of the treatment facility may provisionally discharge any patient without discharging the commitment, unless the patient was found by the committing court to be mentally ill and dangerous to the public.

Each patient released on provisional discharge shall have an aftercare plan developed which specifies the services and treatment to be provided as part of the aftercare plan, the financial resources available to pay for the services specified, the expected period of provisional discharge, the precise goals for the granting of a final discharge, and conditions or restrictions on the patient during the period of the provisional discharge.

The aftercare plan shall be reviewed on a quarterly basis by the patient, designated agency and other appropriate persons. The aftercare plan shall contain the grounds upon which a provisional discharge may be revoked. The provisional discharge shall terminate on the date specified in the plan unless specific action is taken to revoke or extend it.

Sec. 9. Minnesota Statutes 1986, section 253B.15, is amended by adding a subdivision to read:

Subd. 1a. [CASE MANAGER.] Before a provisional discharge is granted, a representative of the designated agency shall be identified as the case manager. The case manager shall ensure continuity of care by being involved with the treatment facility and the patient for several months prior to the provisional discharge. The case manager shall coordinate plans for and monitor the patient's aftercare program.

Sec. 10. Minnesota Statutes 1986, section 253B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE; NOTICE.] When the possibility of revocation becomes apparent, the designated agency shall notify the patient, the patient's attorney, and all participants in the plan, and every effort shall be made to prevent revocation.

Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, the patient's attorney, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of the rights of a patient under this chapter.

Sec. 11. Minnesota Statutes 1986, section 253B.15, subdivision 5, is amended to read:

Subd. 5. [RETURN TO FACILITY.] The head of the treatment facility case manager may apply to the committing court for an order directing that the patient be returned to the facility. The court may order the patient returned to the facility prior to a review hearing only upon finding that immediate return to the facility is necessary to avoid serious, imminent harm to the patient or others. If a voluntary return is not arranged, the head of the treatment facility may request a health officer, a welfare officer, or a peace officer to return the patient to the treatment facility from which the patient was released or to any other treatment facility which consents to receive the patient. If necessary, the head of the treatment facility may request the committing court to direct a health or peace officer in the county where the patient is located to return the patient to the treatment facility or to another treatment facility which consents to receive the patient. The expense of returning the patient to a treatment facility shall be paid by the commissioner unless paid by the patient or the patient's relatives.

Sec. 12. Minnesota Statutes 1986, section 253B.15, subdivision 6, is amended to read:

Subd. 6. [EXCEPTION.] During the first 60 days of a provisional discharge, the head of the treatment facility case manager, upon finding that either of the conditions set forth in subdivision 2 exists, may revoke the provisional discharge without being subject to the provisions of subdivisions 2 to 5.

Sec. 13. Minnesota Statutes 1986, section 253B.15, subdivision 7, is amended to read:

Subd. 7. [MODIFICATION AND EXTENSION OF PROVISIONAL DISCHARGE.] (a) A provisional discharge may be modified upon agreement of the parties.

(b) A provisional discharge may be extended only in those circumstances where the patient has not achieved the goals set forth in the provisional discharge plan or continues to need the supervision or assistance provided by an extension of the provisional discharge. In determining whether the provisional discharge is to be extended, the head of the facility shall consider the willingness and ability of the patient to voluntarily obtain needed care and treatment.

(b) (c) The designated agency shall recommend extension of a provisional discharge only after a preliminary conference with the patient and other appropriate persons. The patient shall be given the opportunity to object or make suggestions for alternatives to extension.

(e) (d) Any recommendation for extension shall be made in writing to the head of the facility and to the patient at least 30 days prior to the expiration of the provisional discharge. The written recommen-

dation submitted shall include: the specific grounds for recommending the extension, the date of the preliminary conference and results, the anniversary date of the provisional discharge, the termination date of the provisional discharge, and the proposed length of extension. If the grounds for recommending the extension occur less than 30 days before its expiration, the written recommendation shall occur as soon as practicable.

(d) (e) The head of the facility shall issue a written decision regarding extension within five days after receiving the recommendation from the designated agency.

Sec. 14. [REPEALER.]

Minnesota Statutes 1986, section 253B.09, subdivision 4, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based nonresidential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.09, subdivision 1; and 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85.015, subdivision 12, is amended to read:

Subd. 12. Heartland Trail, Hubbard and Cass counties.

(a) The trail shall originate at mile post 90.92 at Park Rapids in Hubbard county and shall extend in an easterly direction along the Burlington Northern Railroad right-of-way to the south line of Oak Avenue in through Walker in Cass county. The trail shall then continue from the section line between sections 9 and 16, Township 142 North, Range 31 West, in a northerly direction along the Burlington Northern Railroad right-of-way to mile post 137.78, approximately 2 miles south of Cass Lake in Cass county, and there terminate.

(b) The trail shall be developed primarily for riding and hiking.

(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Heartland Trail may be acquired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the legislative advisory commission before granting approval. Recommendations of the legislative advisory commission shall be advisory only. Failure or refusal of the commission to make a recommendation shall be deemed a negative recommendation.

Sec. 2. Minnesota Statutes 1986, section 85.015, is amended by adding a subdivision to read:

Subd. 15. [PAUL BUNYAN TRAIL, CROW WING, CASS, HUBBARD, AND BELTRAMI COUNTIES.] The trail shall originate in the city of Baxter in Crow Wing county and shall extend in a northerly direction along the Burlington Northern Railroad right-of-way, intersecting the Heartland State Trail southeast of the city of Walker in Cass county. The trail shall continue on the Heartland State Trail through the city of Walker, then in a northwesterly direction along the Burlington Northern Railroad right-of-way to the city of Bemidji in Beltrami county and there terminate.

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 natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail;

amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2166, A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CITATION.]

Sections 1 to 8 may be cited as the hunger reduction act of 1988.

Sec. 2. [144.054] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of health must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of health must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section

325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 3. Minnesota Statutes 1986, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) Investigate and implement an infant formula cost reduction system that will reduce the cost of nutritional supplements so that by October 1, 1988, additional mothers and children will be served;

(g) Develop, analyze and evaluate the health aspects of the

nutritional supplement program and establish nutritional guidelines for the program;

(f) (h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(g) (i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(h) (j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(i) (k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897; and

(j) (l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year.

Sec. 4. [256.016] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of human services must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of human services must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 5. [268.0124] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of jobs and training must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of jobs and training must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 6. [LOCAL INCOME ASSISTANCE FROM FEDERAL FOOD STAMPS.]

To the extent of available appropriations, the commissioner of human services shall contract with community outreach programs to encourage participation in the food stamp program of seniors, farmers, veterans, unemployed workers, low-income working heads of households, battered women residing in shelters, migrant workers, families with children, and other eligible individuals who are homeless. For purposes of this section, "homeless" means that the

individual lacks a fixed and regular nighttime residence or has a primary nighttime residence that is:

(1) a publicly supervised or privately operated shelter, including a welfare hotel or congregate shelter, designed to provide temporary living accommodations;

(2) an institution that provides a temporary residence for individuals who will be institutionalized;

(3) a temporary accommodation in the residence of another individual; or

(4) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The commissioner shall seek federal money to equally match or supplement state money appropriated under section 7 for grants and contracts under this section. The commissioner shall convene an advisory committee to help establish criteria for awarding grants, to make recommendations regarding grant proposals, to assist in the development of training and educational materials, and to participate in the evaluation of grant programs. The grantees shall provide training for program workers, offer technical assistance, and prepare educational materials. Grantees must demonstrate that grants were used to increase participation in the food stamp program by creating new outreach activities, and not by replacing existing activities. No more than five percent of the appropriation for community outreach programs shall be used by the commissioner for the department's administrative costs. The rulemaking requirements of Minnesota Statutes, chapter 14 do not apply to the procedures used by the commissioner to request and evaluate grant proposals and to award grants and contracts under this section. Distribution of grant money appropriated during the 1988 legislative session must begin by October 1, 1988.

Sec. 7. [APPROPRIATIONS.]

(a) \$500,000 is appropriated from the general fund to the commissioner of health for the nutritional supplement program for women, infants, and children (W.I.C.), to be available until spent.

(b) \$250,000 is appropriated from the general fund to the commissioner of human services for the food stamp community outreach grant program established in section 6, to be available until spent.

Sec. 8. [REPEALER.]

Section 6 is repealed July 1, 1990."

Delete the title and insert:

"A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2173, A bill for an act relating to agriculture; appropriating money for purple loosestrife eradication grants.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2174, A bill for an act relating to agriculture; shifting the responsibility for eradication of purple loosestrife in certain public waters and wetlands; amending Minnesota Statutes 1986, section 18.191.

Reported the same back with the following amendments:

Page 1, delete lines 22 to 25 and insert:

"Control of purple loosestrife (*Lythrum salicaria*) on public waters and wetlands, as defined in section 105.37, subdivision 14, and inventoried under section 105.391, shall be the responsibility of the department of natural resources. An owner of land is not required to control purple loosestrife on land as defined in section 105.37, subdivision 14, which is inventoried under section 105.391."

Page 2, delete lines 1 and 2

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2182, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, section 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; 86.72; and 89.022, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 35, after "land," insert "forests."

Page 3, line 30, delete "board" and insert "commission"

Page 4, line 16, before "A" insert "(a)" and after "members" insert "is created"

Page 4, line 21, delete the comma and insert ". The commission"

Page 4, line 27, after the period insert:

"(b) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this act.

(c) Members shall serve on the commission until their successors are appointed.

(d) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

(e)"

Page 6, line 3, after "water," insert "forests,"

Page 6, line 8, delete "and"

Page 6, line 11, delete the period and insert a semicolon

Page 6, after line 11, insert:

"(7) administrative and investment expenses incurred by the state board of investment in investing money in the trust fund; and

(8) administrative expenses of the commission and advisory committee, subject to the limits in section 10."

Page 8, line 18, after "water research," insert "forest research,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Reding from the Committee on Future and Technology to which was referred:

H. F. No. 2227, A bill for an act relating to the environment; requiring notice of the release of genetically engineered organisms; creating a task force to study certain issues relating to genetic engineering; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Page 1, delete lines 9 to 26

Page 2, delete lines 1 and 2

Page 2, line 30, delete "appointed by the governor"

Page 3, line 5, delete "as defined in section 1,"

Page 3, line 19, delete "2" and insert "1" and delete "3" and insert "2" and delete "January" and insert "July"

Page 3, line 21, delete "to 3" and insert "and 2" and delete "May 1, 1988" and insert "the day following final enactment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "creating"

Page 1, line 5, delete everything after "engineering" and insert a period

Page 1, delete line 6

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2243, A bill for an act relating to employment; mandating a study on the effects of video display terminals; mandating a study on mandatory overtime.

Reported the same back with the following amendments:

Page 1, line 23, after the period insert "The commissioner shall report the results of the study to the legislature before January 1, 1989."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2253, A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

Reported the same back with the following amendments:

Page 26, line 20, strike "or August 1, 1989,"

Page 26, line 21, strike "whichever date is earlier,"

Page 27, line 16, delete "this" and insert "that"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2254, A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 4, delete "city of Blaine" and insert "Pheasant Ridge Music Center"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2263, A bill for an act relating to libraries; excluding library services levies from certain levy limitations; requiring recommendations about regional public library districts; amending Minnesota Statutes 1986, section 134.34, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 15 to 23

Amend the title as follows:

Page 1, line 3, delete "requiring"

Page 1, delete line 4

Page 1, line 5, delete "districts;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2285, A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2291, A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; appropriating money; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapters 365, section 24; and 404, section 16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

Reported the same back with the following amendments:

Page 5, line 30, delete "or nonprofit organizations"

Page 20, delete lines 18 to 37

Page 21, delete lines 1 to 3

Page 21, line 4, delete "25" and insert "23"

Page 21, delete lines 7 and 8

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

Page 1, line 13, delete "chapters" and insert "chapter"

Page 1, line 14, delete everything before "proposing"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2297, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 7, insert:

"Sec. 2. [41.63] [DATA PRIVACY.]

Financial information, including credit reports, financial statements, tax refund calculations, and net worth statements, received or prepared by the commissioner regarding any family farm security loan, and the name of each individual who is the recipient of a family farm security loan, and the name of each cooperating seller of a seller-sponsored loan are private data on individuals under chapter 13."

Page 3, line 8, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 41"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2299, A bill for an act relating to economic development; appropriating certain investment earnings to the Minnesota agricultural and economic development board; providing for the organization of the department of trade and economic development;

amending Minnesota Statutes 1987 Supplement, sections 41A.05, subdivision 1; and 116J.01, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2316, A bill for an act relating to health; requiring certification of certain environmental laboratories; establishing an environmental laboratory certification account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2358, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2371, A bill for an act relating to agriculture; requiring a study on the feasibility of using ink with a soybean oil base for state printing.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2373, A bill for an act relating to education; regulating the state high school league; specifying certain appointments to its governing board; amending Minnesota Statutes 1986, section 129.121, subdivision 2, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 129.121, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 129.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 129.121, subdivision 1, is amended to read:

Subdivision 1. The governing board of any high school may delegate the control, supervision and regulation of interscholastic athletics and other extracurricular activities referred to in section 123.38 to the Minnesota state high school league, a nonprofit incorporated voluntary association. Membership in said Minnesota state high school league shall be composed of such Minnesota high schools whose governing boards have certified in writing to the state commissioner of education that they have elected to delegate the control, supervision and regulation of their interscholastic athletic events and other extracurricular activities to said league. The Minnesota state high school league is hereby empowered to exercise the control, supervision and regulation of interscholastic athletics, musical, dramatic and other contests by and between pupils of the Minnesota high schools, delegated to it pursuant to this section, subject to the terms and conditions in this section and section 6. The Minnesota high school league may establish a policy or guidelines for the guidance of member high schools in the formation or alteration of athletic or other extracurricular conferences. Except as otherwise provided by subdivision 1a, the formation or alteration of conferences is voluntary.

The commissioner of education, or the commissioner's representative, shall be an ex officio nonvoting member of the governing body of the Minnesota state high school league, with the same rights and privileges as other members of its governing body. The governing board must include the following members: four members of the public, at least one of whom must be an American Indian, Asian, Black, or Hispanic, and all of whom must be parents, appointed by the governor under section 15.0597; two members elected by the Minnesota association of secondary school principals; and 14 members selected according to league bylaws. The board shall establish and adopt policies, make decisions on behalf of the league, and establish advisory committees necessary to carry out board functions. The terms, compensation, removal of members, and the filling

of membership vacancies are governed by section 15.0575. Members of advisory committees shall be reimbursed only for expenses in the same manner as board members. The rules of said league shall be exempt from the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62.

Employees of the league shall be reimbursed only for expenses as authorized by the commissioner's plan for state employees adopted under section 43A.18, subdivision 2. The league is specifically prohibited from having credit cards.

The executive director of the league shall have a department head expense account subject to the same limits and guidelines as that provided for the commissioner of education. The executive director shall expend money for entertainment or reimbursement of expenses of guests of the league only from this account.

The board shall establish a policy on the use of automobiles by league staff and shall show annually how league policy on the use of automobiles is the most cost-effective alternative available.

Sec. 2. Minnesota Statutes 1986, section 129.121, subdivision 2, is amended to read:

Subd. 2. Any school board is hereby authorized to expend moneys for and pay dues to the Minnesota state high school league and all moneys paid to such league, as well as moneys derived from any contest or other event sponsored by said league, shall be subject to an annual examination and audit by a certified public accountant or the state auditor legislative auditor's office.

Commencing September 1, 1988, and every year thereafter, the legislative auditor shall provide a financial and compliance audit to the legislature detailing the general financial condition and general status of the league as of July 31 of the year preceding the filing of the audit. Copies of the audit must be filed with the commissioner of education, the chairs of the house and senate education committees, and the director of the legislative reference library. The audit must include the aggregate totals for all revenues and expenditures for the three preceding years and the current year and the percent and dollar difference in each of these four years. The following items must be audited in each instance: revenues from student activities, membership dues, publications, registration of officials and judges, interest, automobile sales, and other revenues including medals, refunds, and reimbursements; and expenditures related to staff, the board of directors, student activities, capital outlay, office, and other expenditures including membership services. The league must pay the legislative auditor for the costs of the audit.

Sec. 3. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2a. [AFFIRMATIVE ACTION.] The league must adopt an affirmative action policy to ensure that employment positions within the league are equally accessible to all qualified persons and to eliminate the underutilization of protected groups as defined in section 43A.02, subdivision 33.

Sec. 4. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2b. [EQUITABLE COMPENSATION RELATIONSHIPS.] The league shall be treated as a political subdivision for purposes of sections 471.992 to 471.999, except that the league must report to the commissioner of employee relations by February 1, 1989, on its implementation plan. No cause of action against the league arises before August 1, 1989, for failure to comply with the requirements of sections 471.992 to 471.999.

Sec. 5. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2c. [DATA PRACTICES.] The collection, creation, receipt, maintenance, dissemination, or use of information by the league is subject to the provisions of chapter 13.

Sec. 6. [129.122] [SUBSTANTIAL HARM STANDARD.]

The league may not limit participation by a member school's individual competitors before or after the league's season for a particular extracurricular activity unless that participation causes or will cause substantial harm to the extracurricular activity or to the participants. The league must establish a procedure involving a neutral official to permit a student, parent, or guardian to appeal the league's determination that participation by an individual competitor causes or will cause substantial harm.

Sec. 7. [REPORT TO THE LEGISLATURE.]

The commissioner of employee relations shall report by January 15, 1989, to the chairs of the house and senate education committees and to the governing board of the league on the appropriate salary rate or range for the league director and the director's staff as if the positions were to be established in the state classified service.

Sec. 8. [APPOINTMENT.]

The governor shall make the initial appointments to the league's governing board before August 15, 1988. The governing board shall be fully constituted by August 30, 1988. The governor must begin the process of appointing four public members under Minnesota Statutes, section 15.0597, as soon as practicable after the effective

date of this section to ensure that the governor's initial appointees are appointed to the board before August 15, 1988.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1988. Section 8 is effective the day following final enactment.

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2375, A bill for an act relating to food; requiring labeling of certain foods that may contain banned substances harmful to human health; making findings; prescribing country of origin labeling for fresh, processed, and prepared foods; requiring findings and rules to determine goods requiring country of origin labeling; requiring seizure of mislabeled food; establishing liability for persons injured for mislabeled food; prescribing penalties; amending Minnesota Statutes 1986, section 31.12.

Reported the same back with the following amendments:

Page 1, line 27, after "meats," insert "fish,"

Page 3, lines 9, 15, 26, and 30, after "poultry," insert "fish,"

Page 4, lines 2 and 6, after "poultry," insert "fish,"

Page 4, lines 11 and 30, after "meat," insert "fish,"

Page 5, lines 5, 10, 23, 24, and 27, after "poultry," insert "fish,"

Page 5, line 35, delete "and (6) meats" and insert "(6) fish; and (7) meats"

Page 6, lines 13 and 21, after "poultry," insert "fish,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2388, A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2402, A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2435, A bill for an act relating to animals; preserving the Minnesota humane society as a nonprofit corporation; providing the society with certain statutory powers to protect animals and to provide assistance in the enforcement of laws prohibiting animal abuse; amending Minnesota Statutes 1987 Supplement, sections 343.01; 343.06; 343.10; 343.12; and 343.29, subdivision 1; repealing Laws 1987, chapter 394, section 13.

Reported the same back with the following amendments:

Page 2, line 16, after "the" insert "society or the"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2436, A bill for an act relating to game and fish; requiring a permit to possess dangerous non-domesticated wild animals; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2441, A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 123.35, is amended by adding a subdivision to read:

Subd. 17. [SCHOOL HEALTH SERVICES.] (a) Every school board must provide services to promote the health of its pupils.

(b) The board of a district with 1,000 pupils or more in average daily membership in early childhood family education, preschool handicapped, elementary, and secondary programs must comply with the requirements of this paragraph. It may use one or a combination of the following methods:

(1) employ personnel, including at least one full-time equivalent licensed school nurse or to continue to employ a registered nurse not yet certified as a public health nurse who is enrolled in a program which would lead to certification within four years of the effective date of this section;

(2) contract with a public or private health or health-related organization or other public agency for services during the regular school year, determined appropriate by the board, that are provided

by personnel who are currently licensed under chapter 148 and who are certified public health nurses; or

(3) enter into another arrangement approved by the state board of education.

Sec. 2. [126.202] [ADMINISTRATION OF DRUGS AND MEDICINE.]

Subdivision 1. [APPLICABILITY.] This section applies only:

(1) when the parent of a pupil requests school personnel to administer drugs or medicine to the pupil; or

(2) when administration is allowed by the individual education plan of a handicapped child.

The request of a parent may be oral or in writing. An oral request must be reduced to writing within two school days, provided that the district may rely on an oral request until a written request is received.

Subd. 2. [EXCLUSIONS.] In addition, this section does not apply to drugs or medicine:

(1) that can be purchased without a prescription;

(2) that are used by a pupil who is 18 years old or older;

(3) that are used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;

(4) that are used in situations in which, in the judgment of the school personnel who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;

(5) that are used off the school grounds;

(6) that are used in connection with athletics or extra-curricular activities;

(7) that are used in connection with activities that occur before or after the regular school day; or

(8) that are provided or administered by a public health agency in order to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12.

Subd. 3. [LABELING.] Drugs or medicine subject to this section must be in a container with a label prepared by a pharmacist according to section 151.212 and applicable rules.

Subd. 4. [ADMINISTRATION.] Drugs and medicine subject to this section must be administered in a manner consistent with instructions on the label. Drugs and medicine subject to this section must be administered, to the extent possible, according to school board procedures that must be developed in consultation:

- (1) with a school nurse, in a district that employs a school nurse;
- (2) with a licensed school nurse, in a district that employs a licensed school nurse;
- (3) with a public or private health or health-related organization, in a district that contracts with a public or private health or health-related organization, according to section 1; or
- (4) with the appropriate party, in a district that has an arrangement approved by the state board of education, according to section 1.

Subd. 5. [HANDICAPPED CHILDREN.] For drugs and medicine used by handicapped children, administration may be as provided in the individual education plan.

Subd. 6. [HEALTH TREATMENTS.] For the purpose of this section, special health treatments and health functions, such as catheterization, tracheostomy suctioning, and gastrotomy feedings, do not constitute administration of drugs or medicine.

Sec. 3. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 126.201, is repealed the day following final enactment. Minnesota Statutes 1987 Supplement, section 123.35, subdivision 16, is repealed August 1, 1988."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2449, A bill for an act relating to agriculture; directing the attorney general to study ownership of Minnesota farmland by limited partnerships.

Reported the same back with the following amendments:

Page 1, line 7, delete "ATTORNEY GENERAL" and insert "COMMISSIONER OF AGRICULTURE"

Page 1, line 8, delete "attorney general" and insert "commissioner of agriculture"

Page 1, line 8, delete "investigate and"

Amend the title as follows:

Page 1, line 2, delete "attorney" and insert "commissioner of agriculture"

Page 1, line 3, delete "general"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2454, A bill for an act relating to taxation; requiring recomputation of certain corporate taxes; providing for purchase of health insurance policies for certain employees; appropriating money; amending Minnesota Statutes 1986, section 290.34, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2463, A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38; 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.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2469, A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [239.81] [ANHYDROUS AMMONIA.]

Anhydrous amonia may be sold at the retail level to any buyer using a temperature correctable liquid meter.”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2483, A bill for an act relating to state lands; allowing St. Louis county to sell up to 30 percent of its tax-forfeited waterfront land for forest management purposes.

Reported the same back with the following amendments:

Page 1, line 12, before the period insert “, but otherwise in accordance with Minnesota Statutes, chapter 282”

Page 1, delete lines 13 to 17

Page 2, line 5, delete “the” and insert “each” and delete “through”

Page 2, delete line 6, and insert “for ten years following the sale of each parcel.”

Page 2, after line 11, insert:

“Subd. 5. [TAX-FORFEITED SHORELAND SALE PLAN.] St. Louis county shall prepare a tax-forfeited shoreland sale plan to be approved by the commissioner of natural resources prior to sale of the tax-forfeited shorelands. The plan must include an economic and environmental evaluation of the shorelands to be sold. The environmental evaluation must include a detailed description of the land; a suitability analysis of the land using state and county shoreland regulations and ordinances as the basis for lot suitability; the

proximity of land to existing state or federal management units; a determination of the adequacy of public access to the lake or river; the distribution of public and private lands on the lakes and rivers; a minerals potential assessment; accessibility of lands to public roads; and potential for lands to be sold as residential or commercial planned unit developments. The economic analyses must include an analysis of the supply and demand for shorelands; a marketing evaluation considering regional and local shoreland development trends and shoreland pricing; and the impact of public shoreland sales pricing and financing on private shoreland sales."

Page 2, delete lines 12 to 15

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.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2484, A bill for an act relating to local government; increasing the maximum amount of capital notes home rule charter cities may issue for capital equipment; amending Minnesota Statutes 1986, section 410.32.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2509, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2516, A bill for an act relating to employment and

training; establishing the jobs 2000 fund; providing for contributions from employers and employees; providing for training and transitional allowances; creating the training 2000 board; providing for grants and loans; promoting economic development; providing for the adoption of rules; appropriating money; amending Minnesota Statutes 1986, sections 116L.01, subdivision 3; and 116L.04; Minnesota Statutes 1987 Supplement, sections 116L.02; repealing Minnesota Statutes 1986, section 116L.03, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, 5, and 7.

Reported the same back with the following amendments:

Page 3, line 29, after "4." insert "[268A.01]"

Page 4, line 9, after "5." insert "[268A.02]"

Page 4, line 24, after "person" insert "during the previous three calendar years"

Page 5, delete lines 6 to 9

Page 5, delete lines 14 to 18

Renumber the subdivisions in sequence

Page 6, line 3, after "6." insert "[268A.03]"

Page 6, delete lines 12 to 36

Page 7, delete lines 1 to 12

Page 7, line 13, after "7." insert "[268A.04]"

Page 7, line 34, after "8." insert "[268A.05]"

Page 8, line 14, after "9." insert "[268A.06]"

Page 9, line 23, after "10." insert "[268A.07]"

Page 10, line 32, after "11." insert "[268A.08]"

Page 12, line 18, after "12." insert "[268A.09]"

Page 13, line 14, after "13." insert "[268A.10]"

Page 13, line 34, after "14." insert "[268A.11]"

Page 15, line 23, after "15." insert "[268A.12]"

Page 15, line 26, after "made" insert "from the jobs 2000 fund"

Page 16, line 7, delete from "The" through page 16, line 14 to "greater."

Page 16, line 17, delete "commissioner of jobs and training" and insert "jobs 2000 fund"

Page 16, after line 21, insert:

"Laws 1983, chapter 334, section 7, as amended by Laws 1987, chapter 386, article 10, section 8, is repealed."

Correct all internal cross references

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete "employers and employees;"

Page 1, line 11, after the semicolon insert "proposing coding for new law as Minnesota Statutes, chapter 268A,"

Page 1, line 14, before the period insert "; and Laws 1983, chapter 334, section 7, as amended"

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.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2524, A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2529, A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2533, A bill for an act relating to employment and training; creating an advisory task force on the employment and training of dislocated workers.

Reported the same back with the following amendments:

Page 1, line 13, after the comma insert "the chancellor of the state community college system, or the chancellor's designee,"

Page 1, line 13, after "member" insert "of the house of representatives"

Page 1, line 14, after the comma insert "one member of the house of representatives appointed by the minority leader of the house,"

Page 1, line 14, after "member" insert "of the state senate"

Page 1, line 15, after the comma insert "one member of the state senate appointed by the minority leader of the senate,"

Page 1, line 25, delete "hire" and insert "utilize"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2565, A bill for an act relating to agriculture; farm safety; restoring the position of extension safety program specialist in the extension service; assigning responsibilities; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 987, 1731, 1732, 1767, 1779, 1822, 1831, 1864, 1904, 2022, 2038, 2041, 2049, 2091, 2106, 2112, 2115, 2155, 2243, 2253, 2254, 2358, 2373, 2388, 2402, 2435, 2441, 2449, 2463, 2469, 2509, 2524 and 2529 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1715, 1711 and 1710 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Segal introduced:

H. F. No. 2662, A bill for an act relating to human services; requiring a study of post-secondary educational opportunities for people with mental illness; requiring a report to the legislature; appropriating money.

The bill was read for the first time and referred to the Committee on Higher Education.

Jennings, Vanasek, Battaglia and Carlson, D., introduced:

H. F. No. 2663, A bill for an act relating to local government; enacting an equalization grants program for wastewater treatment facilities; appropriating money; 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.

Jacobs introduced:

H. F. No. 2664, A bill for an act relating to agriculture; appropriating money for bluegrass seed and turf production.

The bill was read for the first time and referred to the Committee on Agriculture.

Bauerly introduced:

H. F. No. 2665, A bill for an act relating to commerce; requiring tax return preparers to be licensed; establishing a board of tax return preparation services; providing for regulation of tax preparers; providing penalties; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 214.01, subdivision 3; and 214.04, subdivision 3; 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.

Waltman introduced:

H. F. No. 2666, A bill for an act relating to game and fish; authorizing nighttime hunting of coyote and fox; amending Minnesota Statutes 1987 Supplement, section 97B.081, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Dawkins, Trimble and Otis introduced:

H. F. No. 2667, A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Peterson and Omann introduced:

H. F. No. 2668, A bill for an act relating to education; authorizing the sale of bonds for the maximum effort school loan fund; 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 Education.

Forsythe and Long introduced:

H. F. No. 2669, A bill for an act relating to child support; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

The bill was read for the first time and referred to the Committee on Judiciary.

Nelson, K.; McLaughlin; Dawkins; Segal and Osthoff introduced:

H. F. No. 2670, A bill for an act relating to education; appropriating money to the Minnesota Hispanic Education Program, Inc.

The bill was read for the first time and referred to the Committee on Education.

Morrison, Valento, Tjornhom, Seaberg and Clausnitzer introduced:

H. F. No. 2671, A bill for an act relating to metropolitan government; regulating the finances of the metropolitan council; amending Minnesota Statutes 1986, sections 473.13, subdivisions 1 and 4; and 473.249, subdivision 1.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Poppenhagen, Omann, Frederick and Hugoson introduced:

H. F. No. 2672, A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1986, section 69.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 60A.15, subdivision 1; and 69.021, subdivision 5.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander; Carlson, D.; Begich; Jennings and Marsh introduced:

H. F. No. 2673, A bill for an act relating to game and fish; authorizing possession of handguns while hunting bear by archery; amending Minnesota Statutes 1986, section 97B.211, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Frerichs and Ogren introduced:

H. F. No. 2674, A bill for an act relating to human services; limiting certain sliding fee child care services to 12 months; establishing a loan program for child care services; appropriating money; amending Minnesota Statutes 1986, section 268.91, subdivision 10, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 268.91, subdivisions 3, 8, 11, and 12.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rice, O'Connor, Valento, Dille and Simoneau introduced:

H. F. No. 2675, A bill for an act relating to workers' compensation; allowing group self-insurers to pay benefits and administrative expenses in the same manner as corporate self-insurers; amending Minnesota Statutes 1986, section 176.181, subdivision 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Kalis and Reding introduced:

H. F. No. 2676, A bill for an act relating to state government; eliminating the compensation council; repealing Minnesota Statutes 1986, section 15A.082.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kalis introduced:

H. F. No. 2677, A bill for an act relating to taxation; sales; repealing the accelerated payment of June sales tax liability; amending Minnesota Statutes 1987 Supplement, section 297A.27,

subdivision 1; repealing Minnesota Statutes 1987 Supplement, section 297A.275.

The bill was read for the first time and referred to the Committee on Taxes.

Heap introduced:

H. F. No. 2678, A bill for an act relating to retirement; excluding volunteer firefighters in the city of Minnetonka from membership in the public employees retirement association and police and fire fund.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Olson, K.; McEachern; Nelson, K.; Winter and Steensma introduced:

H. F. No. 2679, A bill for an act relating to education; providing for regional program access revenue; amending Minnesota Statutes 1986, 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.

Beard and Kostohryz introduced:

H. F. No. 2680, A bill for an act relating to veterans; requiring cities and towns to fly the POW-MIA flag; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Redalen and Johnson, V., introduced:

H. F. No. 2681, A bill for an act relating to libraries; removing mandatory county financial support for public libraries; repealing Minnesota Statutes 1987 Supplement, section 134.341.

The bill was read for the first time and referred to the Committee on Education.

Redalen introduced:

H. F. No. 2682, A bill for an act relating to retirement; Fillmore county; authorizing service credit in the public employees retirement association based on certain omitted deductions and contributions.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Kahn introduced:

H. F. No. 2683, A bill for an act relating to finance; providing for the establishment of fees; amending Minnesota Statutes 1986, section 16A.128, subdivisions 1, and 1a.

The bill was read for the first time and referred to the Committee on Appropriations.

Segal introduced:

H. F. No. 2684, A bill for an act relating to health; dedicating revenue from a lottery to certain health and welfare programs for children.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Greenfield introduced:

H. F. No. 2685, A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Jaros and Munger introduced:

H. F. No. 2686, A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

The bill was read for the first time and referred to the Committee on Higher Education.

Osthoff introduced:

H. F. No. 2687, A bill for an act relating to metropolitan affairs; authorizing the sale of state bonds to provide funds for the acquisition and betterment of metropolitan regional recreation open space land; appropriating money.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

Simoneau introduced:

H. F. No. 2688, A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Rukavina introduced:

H. F. No. 2689, A bill for an act relating to city of Buhl; providing for lease agreement with department of natural resources.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Schreiber, McKasy, Hartle, Sarna and McEachern introduced:

H. F. No. 2690, A bill for an act relating to drivers' licenses; providing that person must discharge bad checks before driver's license or permit is issued, renewed, or reinstated; authorizing department of public safety to maintain records of bad checks submitted; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Commerce.

Voss; Rukavina; Anderson, G.; Kahn and Bishop introduced:

H. F. No. 2691, A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivisions 10, 12, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Redalen and DeRaad introduced:

H. F. No. 2692, A bill for an act relating to claims against the state; appropriating funds for the payment of certain claims.

The bill was read for the first time and referred to the Committee on Appropriations.

Minne, Voss, Milbert and Rodosovich introduced:

H. F. No. 2693, A bill for an act relating to insurance; accident and health; authorizing the commissioner to hold a hearing on certain rate increases to determine if they are excessive; 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.

Larsen and Rukavina introduced:

H. F. No. 2694, A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; 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.

Stanius introduced:

H. F. No. 2695, A bill for an act relating to taxation; individual

income; exempting certain scholarship income from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel introduced:

H. F. No. 2696, A resolution memorializing the President and Congress of the United States to design farm legislation designed to protect the family farm system.

The bill was read for the first time and referred to the Committee on Agriculture.

Wenzel introduced:

H. F. No. 2697, A bill for an act relating to health; authorizing the commissioner of commerce to regulate the financial affairs of health maintenance organizations; requiring conversion coverages in certain circumstances; regulating marketing practices and premiums; providing a complaint system; restricting certain prior authorization requirements; providing rulemaking; appropriating money; amending Minnesota Statutes 1986, sections 62D.03; 62D.04, as amended; 62D.07, subdivision 3; 62D.08, as amended; 62D.09, by adding a subdivision; 62D.11; 62D.12, subdivision 2, and by adding subdivisions; 62D.13; 62D.14; 62D.15, subdivision 1, and by adding a subdivision; 62D.16; 62D.17; 62D.20; 62D.21; proposing coding for new law in Minnesota Statutes, chapter 62D.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

McLaughlin introduced:

H. F. No. 2698, A bill for an act relating to consumer protection; regulating lay away sales to consumers; 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.

Carruthers and Blatz introduced:

H. F. No. 2699, A bill for an act relating to creditors' remedies; regulating executions, redemptions, exemptions, and garnishments;

revising, clarifying, and standardizing procedures; providing certain sanctions; updating certain forms; lengthening the period of effectiveness of summary executions; modifying an employer's obligations with regard to a garnishment summons; proposing coding for new law in Minnesota Statutes, chapters 550 and 571; repealing Minnesota Statutes 1986, sections 550.041; 550.05; 550.14; 550.141; and 571.41 to 571.69.

The bill was read for the first time and referred to the Committee on Judiciary.

Begich introduced:

H. F. No. 2700, A bill for an act relating to labor; providing for conformity with federal minimum wage; amending Minnesota Statutes 1987 Supplement, section 177.24, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

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. 1772.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1772, A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 1772 and H. F. No. 1863, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1926, A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Orenstein	Shaver
Anderson, R.	Gruenes	Lasley	Osthoff	Simoneau
Battaglia	Gutknecht	Lieder	Otis	Skoglund
Bauerly	Hartle	Long	Ozment	Solberg
Beard	Haukoos	Marsh	Pappas	Sparby
Begich	Heap	McDonald	Pauly	Stanius
Bennett	Himle	McEachern	Pelowski	Steensma
Bertram	Hugoson	McKasy	Peterson	Sviggum
Boo	Jacobs	McLaughlin	Poppenhagen	Swenson
Brown	Jaros	Milbert	Price	Thiede
Burger	Jefferson	Miller	Quinn	Tjornhom
Carlson, D.	Jennings	Mimne	Quist	Tompkins
Carlson, L.	Jensen	Morrison	Redalen	Trimble
Carruthers	Johnson, A.	Munger	Reding	Tunheim
Clark	Johnson, R.	Murphy	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Valento
Cooper	Kahn	Nelson, D.	Riveness	Vellenga
Dauner	Kalis	Nelson, K.	Rodosovich	Voss
Dawkins	Kelly	Neuenschwander	Rose	Wagenius
DeBlicke	Kelso	O'Connor	Rukavina	Waltman
Dempsey	Kinkel	Ogren	Sarna	Welle
DeRaad	Kludt	Olsen, S.	Schafer	Wenzel
Dille	Knickerbocker	Olson, E.	Scheid	Winter
Dorn	Knuth	Olson, K.	Schreiber	Wynia
Forsythe	Kostohryz	Omann	Seaberg	Spk. Vanasek
Frederick	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

H. F. No. 1743, A bill for an act relating to the city of Eveleth; authorizing benefit increases for certain retired police officers, firefighters, and their surviving spouses.

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.	Frerichs	Lasley	Osthoff	Simoneau
Anderson, R.	Greenfield	Lieder	Otis	Skoglund
Battaglia	Gruenes	Long	Ozment	Solberg
Bauerly	Gutknecht	Marsh	Pappas	Sparby
Beard	Hartle	McDonald	Pauly	Stanius
Begich	Haukoos	McEachern	Pelowski	Steensma
Bennett	Heap	McKasy	Peterson	Stiggum
Bertram	Himle	McLaughlin	Poppenhagen	Thiede
Boo	Hugoson	Milbert	Price	Tjornhom
Brown	Jacobs	Miller	Quinn	Tompkins
Burger	Jaros	Minne	Quist	Trimble
Carlson, D.	Jefferson	Morrison	Redalen	Tunheim
Carlson, L.	Jennings	Munger	Reding	Uphus
Carruthers	Jensen	Murphy	Rice	Valento
Clark	Johnson, A.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, R.	Nelson, D.	Riveness	Voss
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Schield	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Krueger	Onnen	Segal	
Frederick	Larsen	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1941, A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeBlieck	Jennings	McEachern	Orenstein
Anderson, R.	Dempsey	Jensen	McKasy	Osthoff
Battaglia	DeRaad	Johnson, A.	McLaughlin	Otis
Bauerly	Dille	Johnson, R.	Milbert	Ozment
Beard	Dorn	Kahn	Miller	Pappas
Begich	Forsythe	Kelly	Minne	Pauly
Bennett	Frederick	Kelso	Morrison	Pelowski
Bertram	Frerichs	Kinkel	Murphy	Peterson
Boo	Greenfield	Kludt	Nelson, C.	Poppenhagen
Brown	Gruenes	Knickerbocker	Nelson, D.	Price
Burger	Gutknecht	Knuth	Nelson, K.	Quinn
Carlson, D.	Hartle	Kostohryz	Neuenschwander	Quist
Carlson, L.	Haukoos	Krueger	O'Connor	Redalen
Carruthers	Heap	Larsen	Ogren	Reding
Clark	Himle	Lasley	Olsen, S.	Rice
Clausnitzer	Hugoson	Lieder	Olson, E.	Richter
Cooper	Jacobs	Long	Olson, K.	Riveness
Dauner	Jaros	Marsh	Omann	Rodosovich
Dawkins	Jefferson	McDonald	Onnen	Rose

Rukavina	Shaver	Sviggum	Uphus	Winter
Sarna	Simoneau	Swenson	Valento	Wynia
Schafer	Skoglund	Thiede	Voss	Spk. Vanasek
Scheid	Solberg	Tjornhom	Wagenius	
Schreiber	Sparby	Tompkins	Waltman	
Seaberg	Stanius	Trimble	Welle	
Segal	Steensma	Tunheim	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 2008, A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Onnen	Segal
Anderson, R.	Frerichs	Krueger	Orenstein	Shaver
Battaglia	Greenfield	Larsen	Osthoff	Simoneau
Bauerly	Gruenes	Lasley	Otis	Skoglund
Beard	Gutknecht	Lieder	Ozment	Solberg
Begich	Hartle	Long	Pappas	Sparby
Bennett	Haukoos	Marsh	Pauly	Stanius
Bertram	Heap	McDonald	Pelowski	Steensma
Blatz	Himle	McEachern	Peterson	Sviggum
Boo	Hugoson	McKasy	Poppenhagen	Swenson
Brown	Jacobs	McLaughlin	Price	Thiede
Burger	Jaros	Milbert	Quinn	Tjornhom
Carlson, D.	Jefferson	Miller	Quist	Tompkins
Carlson, L.	Jennings	Minne	Redalen	Trimble
Carruthers	Jensen	Morrison	Reding	Tunheim
Clark	Johnson, A.	Munger	Rice	Uphus
Clausnitzer	Johnson, R.	Murphy	Richter	Valento
Cooper	Johnson, V.	Nelson, C.	Riveness	Vellenga
Dauner	Kahn	Nelson, K.	Rodosovich	Voss
Dawkins	Kalis	Neuenschwander	Rose	Wagenius
DeBlieck	Kelly	O'Connor	Rukavina	Waltman
Dempsey	Kelso	Ogren	Sarna	Welle
DeRaad	Kinkel	Olsen, S.	Schafer	Wenzel
Dille	Kludt	Olson, E.	Scheid	Winter
Dorn	Knickerbocker	Olson, K.	Schreiber	Wynia
Forsythe	Knuth	Omann	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2055, A bill for an act relating to education; making changes in the budget law relating to special school district No. 1,

Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knuth	Olson, K.	Seaberg
Anderson, R.	Frederick	Kostohryz	Omann	Segal
Battaglia	Frerichs	Krueger	Onnen	Shaver
Bauerly	Greenfield	Larsen	Orenstein	Simoneau
Beard	Gruenes	Lasley	Osthoff	Skoglund
Begich	Gutknecht	Lieder	Otis	Solberg
Bennett	Hartle	Long	Ozment	Sparby
Bertram	Haukoos	Marsh	Pappas	Stanius
Bishop	Heap	McDonald	Pauly	Steensma
Blatz	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McKasy	Peterson	Swenson
Brown	Jacobs	McLaughlin	Poppenhagen	Thiede
Burger	Jaros	Milbert	Price	Tjornhom
Carlson, D.	Jefferson	Miller	Quinn	Tompkins
Carlson, L.	Jennings	Minne	Quist	Trimble
Carruthers	Jensen	Morrison	Redalen	Tunheim
Clark	Johnson, A.	Munger	Reding	Uphus
Clausnitzer	Johnson, R.	Murphy	Rice	Valento
Cooper	Johnson, V.	Nelson, C.	Richter	Vellenga
Dauner	Kahn	Nelson, D.	Rodosovich	Voss
Dawkins	Kalis	Nelson, K.	Rose	Wagenius
DeBlieck	Kelly	Neuenschwander	Rukavina	Waltman
Dempsey	Kelso	O'Connor	Sarna	Welle
DeRaad	Kinkel	Ogren	Schafer	Wenzel
Dille	Kludd	Olsen, S.	Scheid	Winter
Dorn	Knickerbocker	Olson, E.	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2265, A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clausnitzer
Anderson, R.	Begich	Blatz	Carlson, D.	Cooper
Battaglia	Bennett	Boo	Carlson, L.	Dauner
Bauerly	Bertram	Brown	Clark	Dawkins

DeBlieck	Kahn	Munger	Price	Stanius
Dempsey	Kalis	Murphy	Quinn	Steensma
DeRaad	Kelly	Nelson, C.	Quist	Sviggum
Dorn	Kelso	Nelson, D.	Redalen	Swenson
Forsythe	Kinkel	Nelson, K.	Reding	Thiede
Frederick	Kludt	Neuenschwander	Rice	Tjornhom
Frerichs	Knickerbocker	O'Connor	Richter	Tompkins
Greenfield	Knuth	Ogren	Riveness	Trimble
Gruenes	Kostohryz	Olsen, S.	Rodosovich	Tunheim
Gutknecht	Krueger	Olson, E.	Rose	Uphus
Hartle	Larsen	Olson, K.	Rukavina	Valento
Haukoos	Lasley	Omann	Sarna	Vellenga
Heap	Lieder	Onnen	Schafer	Wagenius
Himle	Long	Orenstein	Scheid	Waltman
Hugoson	Marsh	Osthoff	Schreiber	Welle
Jacobs	McDonald	Otis	Seaberg	Wenzel
Jaros	McEachern	Ozment	Segal	Winter
Jennings	McKasy	Pappas	Shaver	Wynia
Jensen	McLaughlin	Pauly	Shimoneau	Spk. Vanasek
Johnson, A.	Milbert	Pelowski	Skoglund	
Johnson, R.	Minne	Peterson	Solberg	
Johnson, V.	Morrison	Poppenhagen	Sparby	

The bill was passed and its title agreed to.

H. F. No. 2431 was reported to the House.

There being no objection, H. F. No. 2431 was continued on the Consent Calendar until Thursday, March 17, 1988.

CALENDAR

H. F. No. 1784, A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Clark	Dille	Haukoos
Anderson, R.	Blatz	Clausnitzer	Dorn	Heap
Battaglia	Boo	Cooper	Forsythe	Himle
Bauerly	Brown	Dauner	Frederick	Hugoson
Beard	Burger	Dawkins	Frerichs	Jacobs
Begich	Carlson, D.	DeBlieck	Greenfield	Jaros
Bennett	Carlson, L.	Dempsey	Gruenes	Jefferson
Bertram	Carruthers	DeRaad	Hartle	Jennings

Jensen	Marsh	Olson, K. *	Rice	Sviggum
Johnson, A.	McDonald	Omann	Richter	Swenson
Johnson, R.	McEachern	Onnen	Rodosovich	Thiede
Johnson, V.	McKasy	Orenstein	Rose	Tjornhom
Kahn	McLaughlin	Osthoff	Rukavina	Tompkins
Kalis	Milbert	Otis	Sarna	Trimble
Kelly	Miller	Ozment	Schafer	Tunheim
Kelso	Minne	Pappas	Scheid	Uphus
Kinkel	Morrison	Pauly	Schreiber	Valento
Kludt	Munger	Pelowski	Seaberg	Vellenga
Knickerbocker	Murphy	Peterson	Segal	Voss
Knuth	Nelson, C.	Poppenhagen	Shaver	Wagenius
Kostohryz	Nelson, D.	Price	Simoneau	Waltman
Krueger	Nelson, K.	Quinn	Skoglund	Welle
Larsen	Neuenschwander	Quist	Solberg	Wenzel
Lasley	Ogren	Redalen	Sparby	Winter
Lieder	Olsen, S.	Reding	Stanius	Wynia
Long	Olson, E.	Rest	Steensma	Spk. Vanasek

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 Vanasek 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. 1806, 1709, 1817 and 1940 were recommended to pass.

S. F. No. 1715 was recommended to pass.

H. F. Nos. 718 and 1979 were recommended for progress.

H. F. Nos. 297 and 1705 were recommended for progress retaining their places on General Orders.

H. F. No. 577, the first engrossment, which it recommended to pass with the following amendment offered by Rest:

Page 1, line 15, strike "subdivision" and insert "subdivisions 3 and"

Page 1, after line 26, insert:

"Sec. 2. Minnesota Statutes 1986, section 257.071, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF DEVELOPMENTALLY DISABLED AND EMOTIONALLY HANDICAPPED CHILD PLACEMENTS.] If a developmentally disabled child, as that term is defined in United States Code, title 42, section 6001 (7), as amended through December 31, 1979, or a child diagnosed with an emotional handicap as defined in section 257.27, subdivision 1, has been placed in a residential facility pursuant to a voluntary release by the child's parent or parents because of the child's handicapping conditions or need for long-term residential treatment or supervision, the social service agency responsible for the placement shall bring a petition for review of the child's foster care status, pursuant to section 260.131, subdivision 1a, rather than a petition as required by subdivision 3, clause (b) of this section, after the child has been in foster care for 18 months or, in the case of a child with an emotional handicap, after the child has been in a residential facility for six months. Whenever a petition for review is brought pursuant to this subdivision, a guardian ad litem shall be appointed for the child."

Renumber the remaining sections accordingly

Page 2, line 26, after the period, insert "In proceedings involving an American Indian child, as defined in section 257.351, subdivision 6, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et. seq."

Page 5, line 25, delete the new language

Page 5, line 26, delete the new language

Page 6, line 31, after "able" insert ", and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition"

Page 7, line 20, after "care" insert ", and an order for disposition under section 260.191, including adoption of the written case plan required by section 257.071"

Page 8, line 15, after the period, insert "In proceedings involving an American Indian child, as defined in section 257.351, subdivision 6, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et. seq."

Page 8, after line 15, insert:

"Sec. 9. [STUDY.]

By January 1, 1989, the commissioner of human services shall study and make recommendations to the legislature on what con-

stitutes reasonable efforts by the social service agency to provide families with placement prevention and family reunification services and under what circumstances information and notice should be provided to parents. The commissioner shall consult with community-based family advocacy organizations, representatives of minority communities, groups representing mentally or physically disabled children and their families, representatives of public and private social service agencies, members of the judiciary, and attorneys who represent all parties in juvenile protection proceedings."

Renumber the remaining section

Page 8, line 17, delete "7" and insert "9"

Amend the title as follows:

Page 1, line 6, delete "subdivision 3" and insert "subdivisions 3 and 4"

Anderson, G., offered an amendment to H. F. No. 1705, the first engrossment.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.9 that the Anderson, G., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Anderson, G., offered an amendment to H. F. No. 1705, the first engrossment.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.9 that the Anderson, G., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 5.7 that H. F. No. 1705 be re-referred to the Committee on Appropriations. The Speaker ruled the point of order not in order.

On the motion of Wynia 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:

Marsh moved to amend H. F. No. 1806, as follows:

Page 5, line 27, to page 6, line 26, delete section 8

Renumber the sections accordingly

Amend the title accordingly

The question was taken on the Marsh amendment and the roll was called. There were 44 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Bennett	Dille	Kinkel	Orenstein	Seaberg
Blatz	Dorn	Marsh	Ozment	Stanius
Boo	Forsythe	McDonald	Pauly	Steensma
Carlson, D.	Frerichs	McKasy	Redalen	Swenson
Clark	Gutknecht	McLaughlin	Richter	Tjornhom
Clausnitzer	Haukoos	Milbert	Rose	Tompkins
Dauner	Himle	Miller	Schafer	Valento
DeBlicck	Hugoson	Olsen, S.	Scheid	Waltman
DeRaad	Johnson, V.	Omann	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jaros	Larsen	Onnen	Segal
Battaglia	Jefferson	Lasley	Otis	Shaver
Baucrly	Jennings	Lieder	Pappas	Simoneau
Beard	Jensen	Long	Pelowski	Skoglund
Begich	Johnson, R.	McEachern	Peterson	Sviggum
Bertram	Kahn	Minne	Poppenhagen	Thiede
Brown	Kalis	Morrison	Quinn	Trimble
Burger	Kelly	Munger	Quist	Uphus
Carlson, L.	Kelso	Nelson, C.	Reding	Voss
Carruthers	Kludt	Nelson, D.	Rest	Wagenius
Greenfield	Knickerbocker	O'Connor	Riveness	Welle
Gruenes	Knuth	Ogren	Rodosovich	Wenzel
Hartle	Kostohryz	Olson, E.	Rukavina	Winter
Jacobs	Krueger	Olson, K.	Sarna	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

MOTIONS AND RESOLUTIONS

Lasley moved that the name of Cooper be added as an author on H. F. No. 1736. The motion prevailed.

Carlson, D., moved that the name of Tjornhom be added as an author on H. F. No. 1748. The motion prevailed.

Price moved that the name of Osthoff be added as an author on H. F. No. 1857. The motion prevailed.

Skoglund moved that the name of Riveness be added as an author on H. F. No. 1914. The motion prevailed.

Kalis moved that the name of Bishop be added as an author on H. F. No. 1980. The motion prevailed.

Redalen moved that his name be stricken as an author on H. F. No. 2088. The motion prevailed.

Dille moved that the name of Uphus be added as an author on H. F. No. 2145. The motion prevailed.

Segal moved that the names of Riveness and Trimble be added as authors on H. F. No. 2408. The motion prevailed.

Quist moved that the name of Sparby be added as an author on H. F. No. 2517. The motion prevailed.

Beard moved that the name of Bauerly be added as an author on H. F. No. 2559. The motion prevailed.

Lasley moved that the names of Johnson, R., and Beard be added as authors on H. F. No. 2571. The motion prevailed.

Segal moved that the name of Clark be added as an author on H. F. No. 2628. The motion prevailed.

Jefferson moved that the name of Osthoff be added as an author on H. F. No. 2642. The motion prevailed.

Pappas moved that the name of Wynia be added as an author on H. F. No. 2656. The motion prevailed.

Knuth moved that H. F. No. 2375 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Appropriations. The motion prevailed.

Kahn moved that H. F. No. 2521 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Appropriations. The motion prevailed.

Cooper moved that H. F. No. 2165 be recalled from the Committee on Appropriations and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Riveness moved that the name of Johnson, A., be added as an author on H. F. No. 1902. The motion prevailed.

Trimble moved that H. F. No. 2243, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Carruthers moved that H. F. No. 2095, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Lasley, Valento, Forsythe and Long introduced:

House Concurrent Resolution No. 23, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

McDonald, Gutknecht, Thiede, Miller and Valento moved pursuant to House Rule 1.15 that H. F. No. 75 be recalled from the Committee on Judiciary, be given a second reading and advanced to General Orders.

A roll call was requested and properly seconded.

POINT OF ORDER

Wynia raised a point of order pursuant to page 1789 of the House Permanent Journal for Thursday, April 9, 1987, that the McDonald et al motion was not in order. The Speaker ruled the point of order well taken and the McDonald et al motion out of order.

MOTION TO TAKE FROM THE TABLE

McDonald moved that the McDonald motion recalling H. F. No. 75 from the Committee on Judiciary pursuant to House Rule 1.15, be

given a second reading and advanced to General Orders and which was laid on the table on April 9, 1987, be now taken from the table.

A roll call was requested and properly seconded.

The question was taken on the McDonald motion and the roll was called. There were 46 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	McKasy	Redalen	Thiede
Blatz	Gutknecht	Miller	Richter	Tjornhom
Boo	Hartle	Morrison	Rose	Tompkins
Burger	Haukoos	Olsen, S.	Schafer	Uphus
Clausnitzer	Heap	Omann	Schreiber	Valento
Dempsey	Himle	Onnen	Seaberg	Waltman
Dille	Hugoson	Ozment	Shaver	
Forsythe	Johnson, V.	Pauly	Stanisus	
Frederick	Marsh	Poppenhagen	Sviggum	
Frerichs	McDonald	Quist	Swenson	

Those who voted in the negative were:

Anderson, G.	Jaros	Lieder	Orenstein	Segal
Battaglia	Jefferson	Long	Osthoff	Simoneau
Bauerly	Jensen	McEachern	Otis	Skoglund
Beard	Johnson, A.	McLaughlin	Pappas	Solberg
Begich	Johnson, R.	Milbert	Pelowski	Steensma
Bertram	Kahn	Minne	Peterson	Trimble
Carlson, L.	Kalis	Munger	Price	Tunheim
Carruthers	Kelly	Murphy	Quinn	Vellenga
Clark	Kelso	Nelson, C.	Reding	Voss
Cooper	Kinkel	Nelson, D.	Rest	Wagenius
Dauner	Kludt	Nelson, K.	Rice	Welle
Dawkins	Knuth	Neuenschwander	Riveness	Wenzel
DeBlicke	Kostohryz	O'Connor	Rodosovich	Winter
Dorn	Krueger	Ogren	Rukavina	Wynia
Greenfield	Larsen	Olson, E.	Sarna	Spk. Vanasek
Jacobs	Lasley	Olson, K.	Scheid	

The motion did not prevail.

Thiede moved that H. F. No. 1284 be recalled from the Committee on General Legislation, Veterans Affairs and Gaming and be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Thiede motion and the roll was called. There were 50 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Bennett	Frederick	Johnson, V.	Ozment	Shaver
Bishop	Frerichs	Knickerbocker	Pauly	Stanius
Blatz	Gruenes	Marsh	Poppenhagen	Sviggum
Burger	Gutknecht	McDonald	Quist	Swenson
Carlson, D.	Hartle	McKasy	Redalen	Thiede
Clausnitzer	Haukoos	Miller	Richter	Tjornhom
Dempsey	Heap	Morrison	Rose	Tompkins
DeRaad	Himle	Olsen, S.	Schafer	Uphus
Dille	Hugoson	Omman	Schreiber	Valento
Forsythe	Jennings	Onnen	Seaberg	Waltman

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Osthoff	Simoneau
Battaglia	Jacobs	Lieder	Otis	Skoglund
Bauerly	Jefferson	Long	Pelowski	Solberg
Beard	Jensen	McEachern	Peterson	Sparby
Begich	Johnson, A.	McLaughlin	Price	Steensma
Bertram	Johnson, R.	Milbert	Quinn	Trimble
Brown	Kahn	Minne	Reding	Tunheim
Carlson, L.	Kalis	Munger	Rest	Vellenga
Carruthers	Kelly	Murphy	Rice	Voss
Clark	Kinkel	Nelson, C.	Riveness	Wagenius
Cooper	Kludt	Nelson, D.	Rodosovich	Wenzel
Dauner	Knuth	O'Connor	Rukavina	Winter
Dawkins	Kostohryz	Ogren	Sarna	Wynia
DeBlicke	Krueger	Olson, E.	Scheid	Spk. Vanasek
Dorn	Larsen	Olson, K.	Segal	

The motion did not prevail.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, March 10, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, March 10, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 10, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Wendell Frerichs, Professor at Luther Northwestern Theological Seminary, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Sparby
Begich	Hartle	Marsh	Pappas	Stanius
Bennett	Haukoos	McDonald	Pauly	Steensma
Bertram	Heap	McEachern	Pelowski	Sviggum
Bishop	Himle	McKasy	Peterson	Swenson
Blatz	Hugoson	McLaughlin	Poppenhagen	Thiede
Boo	Jacobs	McPherson	Price	Tjornhom
Brown	Jaros	Milbert	Quinn	Tompkins
Burger	Jefferson	Miller	Quist	Trimble
Carlson, D.	Jennings	Minne	Redalen	Tunheim
Carlson, L.	Jensen	Morrison	Reding	Uphus
Carruthers	Johnson, A.	Munger	Rest	Valento
Clark	Johnson, R.	Murphy	Rice	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Voss
Cooper	Kahn	Nelson, D.	Riveness	Wagenius
Dauner	Kalis	Nelson, K.	Rodosovich	Waltman
Dawkins	Kelly	Neuenschwander	Rose	Welle
DeBlick	Kelso	O'Connor	Rukavina	Wenzel
Dempsey	Kinkel	Ogren	Sarna	Winter
DeRaad	Kludt	Olsen, S.	Schafer	Wynia
Dille	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Dorn	Knuth	Olson, K.	Schreiber	
Forsythe	Kostohryz	Omann	Seaberg	

A quorum was present.

Solberg was excused until 3:50 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. 1732, 1864, 1904, 2106, 2115, 2388, 2402, 2463, 2509, 2524, 2529, 2022, 2038, 2435, 2441, 2449, 987, 1731, 1767, 1822, 1831, 2041, 2049, 2091, 2112, 2155, 2254, 2373, 2469, 2253, 2243, 577, 1779 and 2358 and S. F. No. 1772 have been placed in the members' files.

S. F. No. 1772 and H. F. No. 1863, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Johnson, A., moved that S. F. No. 1772 be substituted for H. F. No. 1863 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1251, A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; permitting the juvenile court to declare mature minors completely or partially emancipated; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivision 21, and by adding a subdivision; 260.103, subdivision 1; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 1, 4, and 4a; 260.156; 260.171, subdivision 4; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1 and 4; 260.194; 260.221; 260.235; 260.255; 260.291, subdivisions 1 and 4; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 1986, section 260.015, subdivisions 6 and 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 242.19, subdivision 2, is amended to read:

Subd. 2. [DISPOSITIONS.] When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation:

(a) order the child's confinement to the Minnesota correctional facility-Red Wing or the Minnesota correctional facility-Sauk Centre, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children;

(b) order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation;

(c) order reconfinement or renewed parole as often as the commissioner believes to be desirable;

(d) revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable;

(e) discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public;

(f) if the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a county welfare board or a licensed child placing agency for placement in a foster care or, when appropriate, for initiation of dependency or neglect child in need of protection or services proceedings as provided in sections 260.011 to 260.301. The commissioner of corrections shall reimburse county welfare boards for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260.251, subdivision 1, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the county welfare board.

Sec. 2. Minnesota Statutes 1986, section 260.011, subdivision 2, is amended to read:

Subd. 2. The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated neglected or dependent in need of protection or services and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will serve the spiritual, emotional, mental, and physical welfare of the child and the best interests of the state; to provide judicial procedures which protect the welfare of the child; to preserve and strengthen the child's family ties whenever possible, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal; and, when removal from the child's own family is necessary, to secure for the child custody, care and discipline as nearly as possible equivalent to that which should have been given by the parents.

The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.

The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1986, section 260.015, is amended by adding a subdivision to read:

Subd. 2a. [CHILD IN NEED OF PROTECTION OR SERVICES.]
"Child in need of protection or services" means a child who is in need of protection or services because the child:

- (1) is abandoned or without parent, guardian, or custodian;
- (2) has been a victim of physical or sexual abuse or resides with a victim of domestic child abuse as defined in subdivision 24;
- (3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;
- (4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose occupation, behavior, condition, environment, or associations are such as to be injurious or dangerous to the child or others;

(10) has committed a delinquent act before becoming ten years old;

(11) is a runaway; or

(12) is an habitual truant.

Sec. 4. Minnesota Statutes 1986, section 260.015, subdivision 21, is amended to read:

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY OFFENSE.] A "juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section

609.685, or a violation of a local ordinance; ~~other than a juvenile alcohol or controlled substance offense~~, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult ~~or where a child is uncontrolled by a parent, guardian, or other custodian by reason of being wayward or habitually disobedient~~. A child who commits a juvenile petty offense is a "juvenile petty offender."

Sec. 5. Minnesota Statutes 1986, section 260.015, subdivision 22, is amended to read:

Subd. 22. [JUVENILE ALCOHOL OFFENDER OFFENSE.] "Juvenile alcohol offender offense" means a child who violates violation by a child of any provision of section 340A.503 or an equivalent local ordinance.

Sec. 6. Minnesota Statutes 1986, section 260.015, subdivision 23, is amended to read:

Subd. 23. [JUVENILE CONTROLLED SUBSTANCE OFFENDER OFFENSE.] "Juvenile controlled substance offender offense" means a child who violates violation by a child of section 152.09, subdivision 1, clause (2) with respect to a small amount of marijuana or an equivalent local ordinance.

Sec. 7. Minnesota Statutes 1986, section 260.111, is amended to read:

260.111 [JURISDICTION.]

Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT IN NEED OF PROTECTION OR SERVICES, OR NEGLECTED AND IN FOSTER CARE.] Except as provided in sections 260.125 and 260.193, the juvenile court has original and exclusive jurisdiction in proceedings concerning any child who is alleged to be delinquent, a juvenile traffic offender, a juvenile petty offender, a ~~habitual truant, a runaway, a juvenile alcohol or controlled substance offender~~, neglected in need of protection or services, or neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent, a juvenile petty offender, a ~~habitual truant, a runaway, or a juvenile alcohol or controlled substance offender~~ or a juvenile traffic offender prior to having become 18 years of age. The juvenile court shall deal with such a minor as it deals with any other child who is alleged to be delinquent or a juvenile traffic offender.

Subd. 2. [JURISDICTION OVER OTHER MATTERS RELATING TO CHILDREN.] Except as provided in clause (d), the juvenile court has original and exclusive jurisdiction in proceedings concerning:

(a) The termination of parental rights to a child in accordance with the provisions of sections 260.221 to 260.245.

(b) The appointment and removal of a juvenile court guardian of the person for a child, where parental rights have been terminated under the provisions of sections 260.221 to 260.245.

(c) Judicial consent to the marriage of a child when required by law.

(d) Adoptions. The juvenile court in those counties in which the judge of the probate-juvenile court has been admitted to the practice of law in this state shall proceed under the laws relating to adoptions in all adoption matters. In those counties in which the judge of the probate-juvenile court has not been admitted to the practice of law in this state the district court shall proceed under the laws relating to adoptions in all adoption matters.

(e) The review of the foster care status of a child who has been placed in a residential facility, as defined in section 257.071, subdivision 1, pursuant to a voluntary release by the child's parent or parents.

Subd. 3. [JURISDICTION OVER MATTERS RELATING TO DOMESTIC CHILD ABUSE.] The juvenile court has jurisdiction in proceedings concerning any alleged acts of domestic child abuse. In a jurisdiction which utilizes referees in dependency and neglect actions child in need of protection or services matters, the court or judge may refer actions under this subdivision to a referee to take and report the evidence in the action. If the respondent does not appear after service is duly made and proved, the court may hear and determine the proceeding as a default matter. Proceedings under this subdivision shall be given docket priority by the court.

Subd. 4. [JURISDICTION OVER PARENTS AND GUARDIANS.] A parent, guardian, or custodian of a child who is subject to the jurisdiction of the court is also subject to the jurisdiction of the court in any matter in which that parent, guardian, or custodian has a right to notice under section 260.135 or 260.141, or the right to participate under section 260.155. In any proceeding concerning a child alleged to be in need of protection or services, the court has jurisdiction over a parent, guardian, or custodian for the purposes of a disposition order issued under section 26.

Sec. 8. Minnesota Statutes 1986, section 260.121, subdivision 1, is amended to read:

Subdivision 1. [VENUE.] Except where otherwise provided, venue for any proceedings under section 260.111 shall be in the county where the child is found, or the county of the child's residence. When

it is alleged that a child is neglected in need of protection or services, venue may be in the county where the child is found, in the county of residence, or in the county where the alleged neglect conditions causing the child's need for protection or services occurred. If delinquency, habitual truancy, running away, a juvenile petty offense, a juvenile alcohol or controlled substance offense, or a juvenile traffic offense is alleged, proceedings shall be brought in the county of residence or the county where the alleged delinquency, habitual truancy, running away, juvenile petty offense, juvenile alcohol or controlled substance offense or juvenile traffic offense occurred.

Sec. 9. Minnesota Statutes 1986, section 260.121, subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The judge of the juvenile court may transfer any proceedings brought under section 260.111, except adoptions, to the juvenile court of a county having venue as provided in subdivision 1, at any stage of the proceedings and in the following manner. When it appears that the best interests of the child, society, or the convenience of proceedings will be served by a transfer, the court may transfer the case to the juvenile court of the county of the child's residence. With the consent of the receiving court, the court may also transfer the case to the juvenile court of the county where the child is found or, if delinquency, habitual truancy, running away, a juvenile petty offense, juvenile alcohol or controlled substance offense or a juvenile traffic offense is alleged, to the county where the alleged delinquency, habitual truancy, running away, juvenile petty offense, juvenile alcohol or controlled substance offense or juvenile traffic offense occurred. The court transfers the case by ordering a continuance and by forwarding to the court administrator of the appropriate juvenile court a certified copy of all papers filed, together with an order of transfer. The judge of the receiving court may accept the findings of the transferring court or may direct the filing of a new petition or notice under section 260.015, subdivision 23 or 260.132 and hear the case anew.

Sec. 10. Minnesota Statutes 1986, section 260.131, subdivision 1, is amended to read:

Subdivision 1. Any reputable person, including but not limited to any agent of the commissioner of human services, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be delinquent, neglected, dependent in need of protection or services, or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

Sec. 11. Minnesota Statutes 1986, section 260.132, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When a peace officer, or attendance

officer in the case of a habitual truant, has probable cause to believe that a child is a runaway, a habitual truant in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of the child's residence or, in the case of a juvenile petty offense, the county in which the offense was committed. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Sec. 12. Minnesota Statutes 1986, section 260.132, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO PARENT.] Whenever a notice to appear or petition is filed alleging that a child is a runaway, a habitual truant in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense alleged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1.

Sec. 13. Minnesota Statutes 1986, section 260.133, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY ORDER.] If it appears from the notarized petition or by sworn affidavit that there are reasonable grounds to believe the child is in immediate and present danger of domestic child abuse, the court may grant an ex parte temporary order for protection, pending a full hearing. The court may grant relief as it deems proper, including an order:

(1) restraining any party from committing acts of domestic child abuse; or

(2) excluding the alleged abusing party from the dwelling which the family or household members share or from the residence of the child.

However, no order excluding the alleged abusing party from the dwelling may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling; and

(2) a remaining adult family or household member is able to care

adequately for the child or children in the absence of the excluded party.

Before the temporary order is issued, the local welfare agency shall advise the court and the other parties who are present that appropriate social services will be provided to the family or household members during the effective period of the order.

An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days. Within five days of the issuance of the temporary order, the petitioner shall file a dependency and neglect petition with the court pursuant to section 260.131, alleging that the child is in need of protection or services and the court shall give docket priority to the petition.

The court may renew the temporary order for protection one time for a fixed period not to exceed 14 days if a dependency and neglect petition alleging that the child is in need of protection or services has been filed with the court and if the court determines, upon informal review of the case file, that the renewal is appropriate.

Sec. 14. Minnesota Statutes 1986, section 260.135, subdivision 1, is amended to read:

Subdivision 1. After a petition has been filed and unless the parties hereinafter named voluntarily appear, the court shall set a time for a hearing and shall issue a summons requiring the person who has custody or control of the child to appear with the child before the court at a time and place stated. The summons shall have a copy of the petition attached, and shall advise the parties of the right to counsel and of the consequences of failure to obey the summons. The court shall give docket priority to any dependency, neglect child in need of protection or services, neglected and in foster care, or delinquency petition that contains allegations of child abuse over any other case except those delinquency matters where a child is being held in a secure detention facility. As used in this subdivision, "child abuse" has the meaning given it in section 630.36, subdivision 2.

Sec. 15. Minnesota Statutes 1986, section 260.135, subdivision 3, is amended to read:

Subd. 3. If a petition alleging neglect, or dependency a child's need for protection or services, or a petition to terminate parental rights is initiated by a person other than a representative of the department of human services or county welfare board, the court administrator shall notify the county welfare board of the pendency of the case and of the time and place appointed.

Sec. 16. Minnesota Statutes 1987 Supplement, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, a ~~habitual truant, a runaway in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender,~~ and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make any orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the hearing offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 17. Minnesota Statutes 1986, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging ~~neglect or dependency~~ a child's need for protection or services under section 260.015, subdivision 2a, clauses (1) to (10). In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursu-

ant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

Sec. 18. Minnesota Statutes 1986, section 260.155, subdivision 4a, is amended to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any ~~dependency, neglect, child in need of protection or services proceeding~~ or neglected and in foster care proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 19. Minnesota Statutes 1987 Supplement, section 260.156, is amended to read:

260.156 [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]

An out-of-court statement made by a child under the age of ten years, or a child ten years of age or older who is mentally impaired, as defined under section 609.341, subdivision 6, alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child or any act of physical abuse or neglect of the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any ~~dependency, neglect child in need of protection or services, neglected and in foster care, or domestic child abuse proceeding or any proceeding for termination of parental rights~~ if:

(a) the court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) the proponent of the statement notifies other parties of an intent to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which the proponent intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.

For purposes of this section, an out-of-court statement includes a video, audio, or other recorded statement.

Sec. 20. Minnesota Statutes 1986, section 260.171, subdivision 1, is amended to read:

Subdivision 1. If a child is taken into custody as provided in section 260.165, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. That person shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 21. Minnesota Statutes 1986, section 260.171, subdivision 4, is amended to read:

Subd. 4. If the person who has taken the child into custody determines that the child should be placed in a secure detention facility or a shelter care facility, that person shall advise the child and as soon as is possible, the child's parent, guardian, or custodian:

(a) of the reasons why the child has been taken into custody and why the child is being placed in a secure detention facility or a shelter care facility; and

(b) of the location of the secure detention facility or shelter care facility. If there is reason to believe that disclosure of the location of the shelter care facility would place the child's health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made; and

(c) that the child's parent, guardian, or custodian and attorney or guardian ad litem may make an initial visit to the secure detention facility or shelter care facility at any time. Subsequent visits by a

parent, guardian, or custodian may be made on a reasonable basis during visiting hours and by the child's attorney or guardian ad litem at reasonable hours; and

(d) that the child may telephone parents and an attorney or guardian ad litem from the secure detention facility or shelter care facility immediately after being admitted to the facility and thereafter on a reasonable basis to be determined by the director of the facility; and

(e) that the child may not be detained for acts as defined in section 260.015, subdivision 5 at a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(f) that the child may not be detained pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), at a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(g) of the date, time, and place of the detention hearing; and

(h) that the child and the child's parent, guardian, or custodian have the right to be present and to be represented by counsel at the detention hearing, and that if they cannot afford counsel, counsel will be appointed at public expense for the child, if it is a delinquency matter, or for any party, if it is a dependency, neglect child in need of protection or services, neglected and in foster care, or termination of parental rights matter.

Sec. 22. Minnesota Statutes 1986, section 260.172, subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays and holidays, to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian or other suitable person.

Sec. 23. Minnesota Statutes 1986, section 260.173, subdivision 3, is amended to read:

Subd. 3. [PLACEMENT.] If the child had been taken into custody and detained as one who is alleged to be delinquent, a ~~habitual truant, a runaway~~ in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender by reason of:

(a) Having committed an offense which would not constitute a violation of a state law or local ordinance if the child were an adult; or

(b) Having been previously adjudicated delinquent, ~~habitually truant, a runaway~~ in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender, or conditionally released by the juvenile court without adjudication, has violated probation, parole, or other field supervision under which the child had been placed as a result of behavior described in this subdivision; the child may be placed only in a shelter care facility.

Sec. 24. Minnesota Statutes 1986, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. Court jurisdiction under section 260.015, subdivision 2a, clause (12), may not continue past the child's 17th birthday.

Sec. 25. Minnesota Statutes 1986, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is ~~neglected, dependent,~~ in need of protection or services or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(a) (1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of ~~the neglect or dependency of the child~~ child's need for protection or services;

(b) (2) transfer legal custody to one of the following:

(1) (i) a child placing agency; or

(2) (ii) the county welfare board.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3;

(c) (3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the child's parent, guardian, or custodian resides in Hennepin county and if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.813; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

Sec. 26. Minnesota Statutes 1986, section 260.191, is amended by adding a subdivision to read:

Subd. 1e. [CASE PLAN.] For each disposition ordered, the court shall order the appropriate agency to prepare a written case plan developed after consultation with and participation by the child and the child's parent, guardian, or custodian. The case plan shall comply with the requirements of section 257.071, where applicable. The case plan shall, among other matters, specify the actions to be taken by the child and the child's parent, guardian, or custodian to comply with the court's disposition order, and the services to be offered and provided by the agency to the child and the child's parent, guardian, or custodian. The court shall review the case plan and, upon approving it, incorporate the plan into its disposition order. The court may review and modify the terms of the case plan in the manner provided in subdivision 2.

All case plans approved by the court shall contain a notice to the child, the child's parent, guardian, or custodian and the agency that the case plan is a court order. A child, parent, guardian, custodian, or agency subject to the court's jurisdiction who willfully fails to comply with the order when reasonably able to do so is in contempt

of court under section 260.301 if the person or agency participated in the development of the case plan, received a copy of the plan, and was notified that the plan is a court order.

Sec. 27. Minnesota Statutes 1986, section 260.191, subdivision 4, is amended to read:

Subd. 4. When it is in the best interests of the child or the child's parents to do so and when either the allegations contained in the petition have been admitted, or when a hearing has been held as provided in section 260.155 and the allegations contained in the petition have been duly proven, before a finding of neglect or dependency need for protection or services or a finding that a child is neglected and in foster care has been entered the court may continue the case for a period not to exceed 90 days on any one order. Such a continuance may be extended for one additional successive period not to exceed 90 days and only after the court has reviewed the case and entered its order for an additional continuance without a finding that the child is neglected, dependent, in need of protection or services or neglected and in foster care. During this continuance the court may enter any order otherwise permitted under the provisions of this section.

Sec. 28. Minnesota Statutes 1986, section 260.195, is amended to read:

260.195 [JUVENILE ALCOHOL OR CONTROLLED SUBSTANCE OFFENDER PETTY OFFENDERS; PROCEDURES; DISPOSITIONS.]

Subdivision 1. [ADJUDICATION.] A petty offender who has committed a juvenile alcohol or controlled substance offender offense shall be adjudicated a "juvenile alcohol petty offender or juvenile controlled substance offender," and shall not be adjudicated delinquent, unless, as in the case of any other child alleged to be delinquent, a petition is filed in the manner provided in section 260.131, summons issued, notice given, a hearing held, and the court finds as a further fact that the child is also delinquent within the meaning and purpose of the laws related to juvenile courts.

Subd. 2. [PROCEDURE.] When a peace officer has probable cause to believe that a child is a juvenile alcohol or controlled substance petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the alleged violation occurred. The officer shall file a copy of the notice to appear with the juvenile court of the county in which the alleged violation occurred. Filing with the court a notice to appear containing the name and address of the child who is alleged to be a juvenile alcohol or controlled substance petty offender, specifying the offense charged, and the time and place of the alleged violation has the effect of a petition giving the juvenile court jurisdiction. Any reputable person having

knowledge that a child is a ~~juvenile alcohol or controlled substance~~ petty offender may petition the juvenile court in the manner provided in section 260.131. Whenever a notice to appear or petition is filed alleging that a child is a ~~juvenile alcohol or controlled substance~~ petty offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense charged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1. If a child fails to appear in response to the notice provided by this subdivision, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child is a ~~juvenile alcohol or controlled substance~~ petty offender, the court may require the child to:

- (a) Pay a fine of up to \$100;
- (b) Participate in a community service project;
- (c) Participate in a drug awareness program; or
- (d) Order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an inpatient or outpatient chemical dependency treatment program; or
- (e) Perform any other activities or participate in any other treatment programs deemed appropriate by the court.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase an alcoholic beverage in violation of section 340.731, if the child has a driver's license or permit to drive, and if the child used a driver's license or permit to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall revoke the child's license or permit for a period of 30 days.

None of the dispositional alternatives described in clauses (a) to (e) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Subd. 4. [ALTERNATIVE DISPOSITION.] In addition to dispositional alternatives authorized by subdivision 3, in the case of a third or subsequent finding by the court pursuant to an admission in court or after trial that a child is has committed a juvenile alcohol or

controlled substance ~~offender offense~~, the juvenile court shall order a chemical dependency evaluation of the child and if warranted by the evaluation, the court may order participation by the child in an inpatient or outpatient chemical dependency treatment program, or any other treatment deemed appropriate by the court.

Subd. 5. [FINDINGS REQUIRED.] Any order for disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why they were not appropriate in the instant case.

Subd. 6. [REPORT.] The juvenile court shall report to the office of state court administrator each disposition made under this section and sections 260.185, 260.191, and 260.192, and ~~260.194~~ where placement is made outside of this state's jurisdictional boundaries. Each report shall contain information as to date of placement, length of anticipated placement, program costs, reasons for out of state placement, and any other information as the office requires to determine the number of out of state placements, the reasons for these placements, and the costs involved. The report shall not contain the name of the child. Any information contained in the reports relating to factors identifying a particular child is confidential and may be disclosed only by order of the juvenile court. Any person violating this subdivision as to release of this confidential information is guilty of a misdemeanor.

Subd. 7. [EXPUNGEMENT.] The court may expunge the adjudication of a child as a ~~juvenile alcohol or controlled substance~~ petty offender at any time it deems advisable.

Sec. 29. Minnesota Statutes 1987 Supplement, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

- (1) That the parent has abandoned the child; or
- (2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able; or
- (3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or
- (4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or
- (5) That following upon a determination of ~~neglect or dependency~~ a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or
- (6) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or
- (7) That the child is neglected and in foster care.

For purposes of clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under clause (a).

Sec. 30. Minnesota Statutes 1986, section 260.235, is amended to read:

260.235 [DISPOSITION; PARENTAL RIGHTS NOT TERMINATED.]

If, after a hearing, the court does not terminate parental rights but determines that conditions of neglect or dependency exist the child is in need of protection or services, or that the child is neglected and in foster care, the court may find the child neglected, dependent, is in need of protection or services or neglected and in foster care and may enter an order in accordance with the provisions of section 260.191.

Sec. 31. Minnesota Statutes 1986, section 260.255, is amended to read:

260.255 [JURISDICTION OVER PERSONS CONTRIBUTING TO DELINQUENCY OR NEGLECT NEED FOR PROTECTION OR SERVICES; COURT ORDERS.]

Subdivision 1. The juvenile court has jurisdiction over persons contributing to the delinquency or neglect need for protection or services of a child under the provisions of subdivision 2 or 3.

Subd. 2. If in the hearing of a case of a child alleged to be delinquent or neglected in need of protection or services it appears by a fair preponderance of the evidence that any person has violated the provisions of section 260.315, the court may make any of the following orders:

(a) Restrain the person from any further act or omission in violation of section 260.315; or

(b) Prohibit the person from associating or communicating in any manner with the child; or

(c) Provide for the maintenance or care of the child, if the person is responsible for such, and direct when, how, and where money for such maintenance or care shall be paid.

Subd. 3. Before making any order under subdivision 2 the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the charges made against the person and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court.

Sec. 32. Minnesota Statutes 1986, section 260.291, subdivision 1, is amended to read:

Subdivision 1. [PERSONS ENTITLED TO APPEAL; PROCEDURE.] An appeal may be taken by the aggrieved person from a final order affecting a substantial right of the aggrieved person, including but not limited to an order adjudging a child to be dependent, neglected in need of protection or services, neglected and

in foster care, delinquent, or a juvenile traffic offender. The appeal shall be taken within 30 days of the filing of the appealable order. The court administrator shall notify the person having legal custody of the minor of the appeal. Failure to notify the person having legal custody of the minor shall not affect the jurisdiction of the appellate court. The order of the juvenile court shall stand, pending the determination of the appeal, but the reviewing court may in its discretion and upon application stay the order.

Sec. 33. Minnesota Statutes 1986, section 260.301, is amended to read:

260.301 [CONTEMPT]

Any person knowingly interfering with an order of the juvenile court or willfully failing to comply with a case plan under section 26 when reasonably able to do so is in contempt of court. However, a child who is under the continuing jurisdiction of the court for reasons other than delinquency may not be adjudicated as a delinquent solely on the basis of having knowingly interfered with or disobeyed an order of the court.

Sec. 34. Minnesota Statutes 1986, section 260.315, is amended to read:

260.315 [CONTRIBUTING TO NEGLECT NEED FOR PROTECTION OR SERVICES OR DELINQUENCY.]

Any person who by act, word or omission encourages, causes or contributes to the neglect need for protection or services or delinquency of a child, or to a child's status as a habitual truant, runaway, juvenile petty offender, juvenile alcohol offender, or juvenile controlled substance offender, is guilty of a misdemeanor.

Sec. 35. Minnesota Statutes 1986, section 260.35, is amended to read:

260.35 [TESTS, EXAMINATIONS.]

Thereafter it shall be the duty of the commissioner of human services through the bureau of child welfare and county welfare boards to arrange for such tests, examinations, and investigations as are necessary for the proper diagnosis, classification, treatment, care and disposition of the child as necessity and the best interests of the child shall from time to time require. When it appears that a dependent or neglected child found to be in need of protection or services is sound of mind, free from disease, and suitable for placement in a foster home for care or adoption, the commissioner may so place the child or delegate such duties to a child-placing

agency accredited as provided by law, or authorize the child's care in the county by and under the supervision of the county welfare board.

Sec. 36. Minnesota Statutes 1986, section 260.36, is amended to read:

260.36 [SPECIAL PROVISIONS IN CERTAIN CASES.]

When the commissioner of human services shall find that a child transferred to the commissioner's guardianship after parental rights to the child are terminated or that a child committed to the commissioner's guardianship as a dependent or neglected child in need of protection or services is handicapped physically or whose mentality has not been satisfactorily determined or who is affected by habits, ailments, or handicaps that produce erratic and unstable conduct, and is not suitable or desirable for placement in a home for permanent care or adoption, the commissioner of human services shall make special provision for the child's care and treatment designed to the child, if possible, for such placement or to become self-supporting. The facilities of the commissioner of human services and all state treatment facilities, the Minnesota general hospital, and the child guidance clinic of its psychopathic department, as well as the facilities available through reputable clinics, private child-caring agencies, and foster boarding homes, accredited as provided by law, may be used as the particular needs of the child may demand. When it appears that the child is suitable for permanent placement or adoption, the commissioner of human services shall cause the child to be placed as provided in section 260.35. If the commissioner of human services is satisfied that the child is mentally retarded the commissioner may bring the child before the probate court of the county where the child is found or the county of the child's legal settlement for examination and commitment as provided by law.

Sec. 37. Minnesota Statutes 1986, section 484.73, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Judicial arbitration may not be used to dispose of matters relating to guardianship, conservatorship, or civil commitment, matters within the juvenile court jurisdiction involving neglect, dependency, children in need of protection or services or delinquency, matters involving termination of parental rights under sections 260.221 to 260.245, or matters arising under sections 518B.01, 626.557, or 144.651 to 144.652.

Sec. 38. [REPEALER.]

Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194, are repealed."

Delete the title and insert:

"A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1643, A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1986, section 244.09, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

(1) The chief justice of the supreme court or a designee;

(2) One judge of the court of appeals, appointed by the chief justice of the supreme court;

(3) ~~Two~~ One district court judges judge appointed by the chief justice of the supreme court;

(4) One public defender appointed by the governor upon recommendation of the state public defender;

(5) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;

(6) The commissioner of corrections or a designee;

(7) One peace officer as defined in section 626.84 appointed by the governor;

(8) One probation officer or parole officer appointed by the governor; and

(9) ~~Two~~ Three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989."

Amend the title as follows:

Page 1, line 4, delete "1986" and insert "1987 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1681, A bill for an act relating to civil actions; modifying the statute of limitations for damages based on services or construc-

tion to improve real property; amending Minnesota Statutes 1986, section 541.051, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 541.051, subdivision 1, is amended to read:

Subdivision 1. (a) 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 of the injury or, in the case of an action for contribution or indemnity, accrual of the cause of action, nor, in any event shall such a cause of action accrue more than ten 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 the owner's representative can occupy or use the improvement for the intended purpose.

(b) For purposes of paragraph (a), a cause of action accrues upon discovery of the injury or, in the case of an action for contribution or indemnity, upon payment of a final judgment, arbitration award or settlement arising out of the defective and unsafe condition.

(c) 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."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1774, A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Stat-

utes 1986, sections 340A.801, subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1794, A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1819, A bill for an act relating to crimes; repealing the law prohibiting ticket scalping; repealing Minnesota Statutes 1986, section 609.805.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1859, A bill for an act relating to taxation; retaining strict levy limits for cities and counties that do not comply with pay equity requirements; reducing 1992 local government aids of cities and counties that do not implement equitable compensation plans.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COUNTIES AND CITIES; PAY EQUITY COMPLIANCE.]

Subdivision 1. [1988 REPORT.] A home rule charter or statutory city or county, referred to in this section as a "governmental subdivision" that employs ten or more people and that did not submit a report according to Minnesota Statutes, section 471.998, shall submit the report by October 1, 1988, to the commissioner of employee relations.

The plan for implementing equitable compensation for the employees must provide for complete implementation not later than December 31, 1991. The plan need not contain a market study.

Subd. 2. [PENALTY FOR NONCOMPLIANCE.] Notwithstanding Minnesota Statutes, sections 275.50 to 275.56, for taxes levied in 1988, payable in 1989 only, a governmental subdivision that does not submit the report required in subdivision 1 shall be subject to the levy limits provided in subdivisions 3 to 5.

Subd. 3. [CITIES.] For a home rule charter or statutory city, the levy limit base for taxes payable in 1989 is the sum of (1) the city's total levy for taxes payable in 1988, excluding the amount levied in that year for debt service and the amount for unfunded accrued pension liabilities under Laws 1987, chapter 268, article 5, section 12, subdivision 4, clause (2); and (2) the amount received in 1988 as described in Minnesota Statutes, section 275.51, subdivision 3i. This sum shall be increased by a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived under Minnesota Statutes, section 275.51, subdivision 6. The resulting amount for the home rule charter or statutory city multiplied by 103 percent is the city's levy limit base for taxes payable in 1989. The payable 1989 levy limitation for the city shall be equal to the levy limit base determined under this section reduced by the aids for 1989 enumerated in Minnesota Statutes, section 275.51, subdivision 3i.

Subd. 4. [COUNTIES.] For a county, the levy limit base for taxes payable in 1989 is the sum of (1) the county's total levy for taxes payable in 1988, excluding the amount levied in that year for (i) debt service; (ii) levied for unfunded accrued pension liabilities under Laws 1987, chapter 268, article 5, section 12, subdivision 4, clause (2); (iii) income maintenance programs except for the administrative costs associated with those programs; and (iv) social services programs, including the administrative costs associated with those programs, plus (2) the amount received in 1988 as described in Minnesota Statutes, section 275.51, subdivision 3i. This sum shall be increased by a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived under Minnesota Statutes, section 275.51, subdivision 6. The resulting amount for the county multiplied by 103 percent is the county's levy limit base for taxes payable in 1989.

The payable 1989 levy limitation for the county shall be equal to the levy limit base determined under this section reduced by the aids for 1989 enumerated in section 275.51, subdivision 3i.

Subd. 5. [EXCEPTIONS.] For taxes payable in 1989, the amounts levied for the following costs are not subject to the limitation under subdivision 3 or 4:

(1) levies for debt service;

(2) levies for unfunded accrued pension liabilities as specified in Minnesota Statutes, section 275.50, subdivision 5, clause (o);

(3) levies for income maintenance programs, net of any aid payments received under Minnesota Statutes, section 273.1397, and excluding the administrative costs associated with those programs; and

(4) levies for social service programs including the administrative costs associated with those programs.

The amount levied by the county for taxes payable in 1989 to pay the costs of programs described in clauses (3) and (4) of this subdivision shall be subject to the percentage limitations provided in Minnesota Statutes, section 275.50, subdivision 5, clause (d).

Subd. 6. [PENALTY FOR FAILURE TO IMPLEMENT PLAN.] If the commissioner of employee relations finds after notice and consultation with a governmental subdivision that it has failed to implement its plan for implementing equitable compensation by December 31, 1991, the aid that would otherwise be payable to that governmental subdivision under Minnesota Statutes, sections 477A.011 to 477A.014 in calendar year 1992 shall be reduced by five percent. The commissioner may waive the penalty upon making a finding that the failure to implement was attributable to circumstances beyond the control of the governmental subdivision or to severe hardship."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1961, A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

Reported the same back with the following amendments:

Page 1, line 14, delete "1988" and insert "1989"

Page 1, line 20, delete "1989" and insert "1990"

Page 1, line 22, delete "1988" and insert "1989"

Page 1, line 23, delete "1989" and insert "1990"

Page 2, line 6, delete "1989" and insert "1990"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1971, A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, section 525.54, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1983, A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

Reported the same back with the following amendments:

Page 1, line 24, delete everything after "(1)" and insert "should criteria and procedures be"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2011, A bill for an act relating to government data practices; defining employment and training data as private data on individuals; defining employment and training service providers; defining employment and training services; providing for the dissemination of employment and training data; amending Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Page 2, line 6, before the period insert "or an organization that contracts with a certified administrative entity or the department of jobs and training to deliver employment and training services"

Page 2, line 9, after "law" delete "and" and insert "or under local government authority"

Page 2, delete lines 25 to 27 and insert:

"Subd. 3. [DISSEMINATION.] Employment and training data may be disseminated:"

Page 3, after line 12, insert:

"Sec. 3. [13.792] [JOBS AND TRAINING DEPARTMENT; RELEASE OF CERTAIN VENDOR DATA.]

Notwithstanding any other law, the commissioner of jobs and training may release the name, business address, and business telephone number of any individual licensed pursuant to section 248.07, subdivision 8."

Page 3, line 13, delete "3" and insert "4"

Page 3, line 14, delete "and 2" and insert "to 3" and delete everything after "effective"

Page 3, delete line 15 and insert "June 1, 1988."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2016, A bill for an act relating to drivers' licenses;

allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2042, A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing an administrative hearing for certain violations by officers or directors; giving members access to the membership list; amending Minnesota Statutes 1986, sections 317.22, subdivision 4; and 317.28; proposing coding for new law in Minnesota Statutes, chapter 317.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 317.22, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] Subject to waiver under section 317.24, notice of meetings and elections, as provided in section 317.02, subdivision 6, shall be given to all members entitled to vote at the meeting or election. If proxies are permitted at the meeting, the notice shall so inform members and state the procedure for appointing proxies.

Sec. 2. Minnesota Statutes 1986, section 317.22, subdivision 6, is amended to read:

Subd. 6. [PROXIES.] (1) Unless specifically ~~prohibited~~ permitted by the articles or bylaws, proxies are ~~permitted~~ prohibited at all meetings.

(2) The appointment of a proxy shall be in writing filed at or before the meeting with the person who has been designated to act as secretary of the meeting.

(3) Except where the instrument of appointment prescribes otherwise:

(a) the authority of a proxy ceases 11 months from the date of appointment;

(b) an appointment of a proxy terminates all prior appointments when the appointment has been filed with the secretary of the meeting;

(c) when a member appoints two or more persons to act as proxies, a majority of the member's proxies present at the meeting have the entire authority conferred by the instrument; when such proxies are equally divided upon the manner of voting in a particular case, they share the votes equally; and if only one proxy is present, that proxy has the entire authority conferred by the instrument.

(4) Authority of a proxy is not terminated by the death or incapacity of the maker unless written notice of the fact of death or incapacity is given to the corporation before the vote has been cast or the authority otherwise exercised.

Sec. 3. Minnesota Statutes 1986, section 317.28, is amended to read:

317.28 [BOOKS AND RECORDS; FINANCIAL STATEMENT]

(1) A domestic corporation shall keep at its registered office correct and complete books of account and minutes of proceedings of meetings of (a) members, (b) board of directors, and (c) committees having any of the authority of the board of directors.

(2) A member, or the member's agent or attorney, may inspect all books and records for any proper purpose at any reasonable time.

(3) Upon request by a member, the domestic corporation shall furnish the member with a statement showing the financial result of all operations and transactions affecting income and surplus during its last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of such accounting period.

(4) If the articles or bylaws permit a specified percentage of members to call a meeting of the board of directors or the membership, the corporation shall provide any voting member, within ten days after receiving a request, a statement showing the number of members required to call the meeting, which statement shall be binding on the corporation."

Delete the title and insert:

"A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; amending Minnesota Statutes 1986, sections 317.22, subdivisions 4 and 6; and 317.28."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 2117, A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

Reported the same back with the following amendments:

Page 5, line 4, after "3" insert ", paragraph (c)(2)"

Page 5, line 7, before "The" insert "(a)"

Page 5, line 14, before "On" insert "(b)"

Page 5, line 24, before "On" insert "(c)(1)"

Page 6, line 6, before "Allocations" insert "(2)"

Page 6, line 8, strike "(a)" and insert "(i)"

Page 6, line 9, strike "(b)" and insert "(ii)"

Page 6, line 11, strike "(c)" and insert "(iii)"

Page 6, line 21, before "If" insert "(d)"

Page 7, line 11, after "agency" insert "or for reallocation to a city requesting an allocation on or before November 1, 1988"

Page 8, line 21, delete "7" and insert "5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2185, A bill for an act relating to game and fish;

adjusting the height of deer stands; amending Minnesota Statutes 1986, section 97B.325.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2190, A bill for an act relating to the city of Westbrook; permitting the city to expend city funds for a private hospital.

Reported the same back with the following amendments:

Page 1, delete lines 6 to 12 and insert:

“Section 1. [HOSPITAL SERVICE.]

The cities of Dovray, Jeffers, Storden, Walnut Grove, and Westbrook, and the towns of Amboy, Amo, Ann, Belfast, Bondin, Dale, Des Moines River, Dovray, Germantown, Highwater, Holly, Lime Lake, North Hero, Rose Hill, Shetek, Southbrook, Springdale, Springfield, Storden, and Westwood, all in Cottonwood, Murray, and Redwood counties, may contribute gifts to the Schmidt Memorial Hospital in the city of Westbrook. No town named in this section may contribute gifts under that section without obtaining the approval of the electors of the respective town meeting or at a special town meeting called for that purpose.”

Page 1, after line 12, insert:

“Sec. 2. [HOSPITAL SERVICE.]

The cities of Comfrey and Darfur, and the towns of Bashaw, Selma, Stately, Mulligan, Delton, and Adrian, all in Cottonwood, Brown, and Watonwan counties, may contribute gifts to the Comfrey Hospital in the city of Comfrey. No town named in this section may contribute gifts under that section without obtaining the approval of the electors of the respective town meeting or at a special town meeting called for that purpose.”

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2209, A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2216, A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2224, A bill for an act relating to landlord tenant law; providing an action for damages for accepting rent on condemned property; proposing coding for new law in Minnesota Statutes, chapter 504.

Reported the same back with the following amendments:

Page 1, line 10, delete "if a" and insert "A"

Page 1, line 11, delete "accepts" and insert "may not accept"

Page 1, lines 12 and 13, delete "during a period in which" and insert "after"

Page 1, line 14, after "authority," insert "if the tenancy commenced after the premises were condemned or declared unfit for human habitation."

Page 1, line 15, before "the landlord" insert "If a landlord, agent, or a person acting under the landlord's direction or control violates this section,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2246, A bill for an act relating to economic development; including labor organizations and community groups in the organizations that are eligible for assistance from various entities; amending Minnesota Statutes 1987 Supplement, sections 116O.06, subdivision 1; and 116O.08, subdivision 2.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2248, A bill for an act relating to the environment; prohibiting government units and takeout food vendors from purchasing and using chlorofluorocarbon-processed food packaging materials; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116.60] [FINDINGS AND PURPOSE.]

The legislature finds that scientific evidence indicates a strong probability that the family of substances known as chlorofluorocar-

bons, when discharged into the atmosphere, degrade the earth's protective layer of ozone, allowing increased amounts of ultraviolet radiation to penetrate the atmosphere and pose an acute and immediate danger to human health, life, and the environment. Available scientific evidence indicates the strong possibility that the resulting increase in human exposure to ultraviolet radiation already may have caused an increase in the incidence of skin cancers and other serious illnesses.

Sources of the chlorofluorocarbons currently being released into the atmosphere are the use of these substances as blowing agents in the manufacture of some of the polystyrene foam packaging products used in the food service industry and the disposal of these packaging products in solid waste landfills. Substitutes for these products currently are available that do not use chlorofluorocarbons in their manufacture.

It is the intent of the legislature to reduce the amount of CFC-processed products purchased and used in Minnesota and thereby to reduce the health hazards created by the manufacture and disposal of these products.

Sec. 2. [116.601] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [CHLOROFLUOROCARBONS OR CFCS.] "Chlorofluorocarbons," or "CFCs" means the family of substances containing carbon, fluorine, and chlorine that have no hydrogen atoms and no double bonds.

Subd. 3. [CFC-PROCESSED FOOD PACKAGING.] "CFC-processed food packaging" means food packaging that uses chlorofluorocarbons as blowing agents in its manufacture.

Subd. 4. [DISTRIBUTOR.] "Distributor" means any person engaged in business who ships or transports products to retailers in this state to be sold by those retailers.

Subd. 5. [FOOD PACKAGING.] "Food packaging" means all bags, sacks, wrapping, containers, bowls, plates, trays, cartons, cups, and lids used to package food or beverages that are not intended for reuse. Food packaging does not include forks, knives, straws, or single-service condiment packages.

Sec. 3. [116.602] [PROHIBITION; CFC-PROCESSED FOOD PACKAGING.]

After July 1, 1990, no person may sell, offer for sale, or give to consumers CFC-processed food packaging.

Sec. 4. [116.603] [DOCUMENTATION REQUIRED; INSPECTION.]

Subdivision 1. [DISTRIBUTOR STATEMENT.] Each distributor shall maintain a written statement signed by the manufacturer of the food packaging stating that the packaging is not CFC-processed and shall note on each invoice for food packaging that the packaging covered by the invoice is not CFC-processed.

Subd. 2. [INSPECTION.] The documentation required in subdivision 1 must be made available, on request, to the commissioner of the pollution control agency. The commissioner may inspect the documents at any time to ensure compliance with sections 3 and 4.

Sec. 5. [116.604] [STUDY.]

By July 1, 1989, the agency shall complete a study and report the findings to the legislature on ways to eliminate sources of CFC in the state in order to accomplish the purposes of section 1.

Sec. 6. [116.605] [ENFORCEMENT; PENALTIES.]

A person who violates section 3 or 4 is subject to a civil penalty of up to \$500 for each violation. The attorney general shall enforce sections 3 and 4 and may bring an action for injunctive relief or an action to compel performance or may seek civil penalties. In an action brought under this section, the attorney general may also recover costs and disbursements, including reasonable attorney fees.

Sec. 7. [APPROPRIATION.]

\$ is appropriated from the general fund to the pollution control agency for administrative costs to implement section 4, and for the cost of the study required in section 5. The complement of the agency is increased by . . . positions."

Delete the title and insert:

"A bill for an act relating to the environment; prohibiting use of chlorofluorocarbon-processed food packaging materials after July 1, 1990; providing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2288, A bill for an act relating to taxation; allowing the city of Biwabik to exceed certain property tax levy limits; allowing for a referendum on the issue of exceeding the levy limits.

Reported the same back with the following amendments:

Page 1, line 17, delete the second "the" and insert "qualified voters of the city equal in number to at least ten percent of the votes cast in the last city election."

Page 1, delete lines 18 and 19

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2296, A bill for an act relating to crimes; making it a crime for a person in custody for an alleged act of delinquency or on a juvenile adjudication of delinquency to escape; amending Minnesota Statutes 1986, section 609.485, subdivisions 2 and 4.

Reported the same back with the following amendments:

Page 3, line 10, delete everything after "must" and insert "begin upon imposition by the sentencing court."

Page 3, delete lines 11 and 12

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2344, A bill for an act relating to natural resources; changing certain provisions relating to fees; amending Minnesota Statutes 1987 Supplement, sections 85.055, subdivision 1; and 105.44, subdivision 10.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2408, A bill for an act relating to economic development; changing the structure of the Minnesota job skills partnership board; repealing the sunset of the board; amending Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, and 5; repealing Laws 1983, chapter 334, section 7, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116L.04, subdivision 1, is amended to read:

Subdivision 1. [GRANTS-IN-AID.] The partnership may provide grants-in-aid to educational or other nonprofit institutions using the following guidelines:

(a) The educational or other nonprofit institution is a provider of training within the state in either the public or private sector;

(b) The program involves skills training that is an area of employment need; and

(c) Preference will be given to educational or other nonprofit institutions which serve economically disadvantaged people, minorities, or those who are victims of economic dislocation.

Grants The maximum grant awarded under this section shall not exceed \$200,000 to any one institution."

Delete the title and insert:

"A bill for an act relating to economic development; amending the statutory maximum on grants-in-aid made by the job skills partnership board; amending Minnesota Statutes 1986, section 116L.04, 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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2419, A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2422, A bill for an act relating to civil process; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, section 550.37, subdivision 24.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2434, A bill for an act relating to the city of Duluth;

authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2468, A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2470, A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2487, A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; repealing Minnesota Statutes 1986, section 414.061, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 414.061, subdivision 5, is amended to read:

Subd. 5. [PROPERTY OWNER INITIATION.] Property owners may initiate proceedings for the concurrent detachment of their property from one municipality and its annexation to an adjacent municipality by a petition signed by all of them. The board shall send a copy of the petition to each municipality upon receipt of it. The governing body of each municipality must approve the petition before the board may begin hearings. Each governing body must approve or disapprove the petition within 45 days after receipt. If no action is taken on the petition by a governing body within 45 days, the petition shall be deemed approved. The board shall conduct hearings and issue its order as in the case of consolidations of two or more municipalities under sections 414.041, subdivision 5 and 414.09.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 4, delete “repealing” and insert “amending”

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2498, A bill for an act relating to agriculture; creating a laboratory services account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2508, A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2568, A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2572, A bill for an act relating to agricultural trade; authorizing the establishment of a foreign trade office in the Federal Republic of Germany; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 1, line 13, delete "at least one" and insert "an" and after "individual" insert "or individuals"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2630, A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2658, A bill for an act relating to veterans; requiring the establishment of a veterans home in Silver Bay; appropriating money; proposing coding for new law in Minnesota Statutes; chapter 198.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

DOUGLAS R. EWALD

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Douglas R. Ewald to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Douglas R. Ewald, 15025 Highland Trail, Minnetonka, Hennepin County, effective January 26, 1988, for a term expiring on the first Monday in January, 1992. The motion prevailed and the appointment of Douglas R. Ewald was confirmed by the House.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

MARY SMITH

Reported the same back with the recommendation that the appointment be confirmed.

Kostohryz moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Mary Smith to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Kostohryz moved that the House, having advised, do now consent to and confirm the appointment of Mary Smith, 515 North Ferndale, Wayzata, Hennepin County, effective January 26, 1988, for a term expiring on the first Monday in January, 1992. The motion prevailed and the appointment of Mary Smith was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1643, 1681, 1774, 1794, 1819, 1961, 1971, 1983, 2011, 2016, 2042, 2117, 2185, 2190, 2224, 2246, 2272, 2296, 2419, 2422, 2434, 2468, 2470, 2487, 2508, 2568, 2630 and 2637 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1772 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy introduced:

H. F. No. 2701, A bill for an act relating to the iron range resources and rehabilitation board; expanding its project area to include independent school district No. 704; amending Minnesota Statutes 1986, section 298.2211, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Trimble introduced:

H. F. No. 2702, A bill for an act relating to state employees; requiring space for child care services in state owned or leased buildings; waiving rent requirements; authorizing contracts with child care providers; requiring child care services in the Centennial Building and the Dahl House; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Himle, Riveness, Blatz and Jacobs introduced:

H. F. No. 2703, A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Reding introduced:

H. F. No. 2704, A bill for an act relating to insurance; single premium annuity contracts; regulating the issuance to, and approval by, volunteer firefighters relief associations; amending Minnesota Statutes 1986, section 424A.02, by adding a subdivision; 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.

Larsen, Lieder and Pelowski introduced:

H. F. No. 2705, A bill for an act relating to taxation; income; restoring the pension and military pay exclusions; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

Welle, Larsen, Lieder, Rodosovich and Riveness introduced:

H. F. No. 2706, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, K.; Greenfield; Jefferson; Rice and McLaughlin introduced:

H. F. No. 2707, A bill for an act relating to capital improvements; providing funds for development of the great river road; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Wenzel, Sparby, McEachern, Krueger and Sarna introduced:

H. F. No. 2708, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Dauner, Winter, Bertram, Kinkel and Lasley introduced:

H. F. No. 2709, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Ogren, Solberg, Rukavina, Minne and Nelson, C., introduced:

H. F. No. 2710, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Johnson, R.; Bauerly; Milbert; Kelso and DeBlieck introduced:

H. F. No. 2711, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Cooper; Nelson, C.; Steensma; Anderson, G., and Vanasek introduced:

H. F. No. 2712, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Kalis; Welle; Olson, K.; Brown and Jensen introduced:

H. F. No. 2713, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Bauerly, Battaglia, Clausnitzer, Rukavina and Onnen introduced:

H. F. No. 2714, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986,

section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Sarna, McEachern, Beard and Milbert introduced:

H. F. No. 2715, A bill for an act relating to taxation; income; allowing a subtraction from federal taxable income for income from military services performed outside Minnesota; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Sarna, Nelson, C.; Jacobs; Beard and Quinn introduced:

H. F. No. 2716, A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Jennings introduced:

H. F. No. 2717, A bill for an act relating to liquor; requiring sale on equal basis to all retailers; prohibiting sales below cost; requiring certain price information; amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time and referred to the Committee on Regulated Industries.

Schafer, Dille and Cooper introduced:

H. F. No. 2718, A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in McLeod county.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Welle introduced:

H. F. No. 2719, A bill for an act relating to state parks; appropriating money for the acquisition of land in Sibley state park.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Reding, Kelly and Vellenga introduced:

H. F. No. 2720, A bill for an act relating to retirement; St. Paul police non-duty disability benefits; amending Laws 1955, chapter 151, section 9, subdivision 7, as amended.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Larsen, Rukavina and DeBlieck introduced:

H. F. No. 2721, A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; 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.

Johnson, R.; Rukavina; Pelowski and Dorn introduced:

H. F. No. 2722, A bill for an act relating to education; temporarily modifying the average cost funding formula for the state universities and community colleges.

The bill was read for the first time and referred to the Committee on Higher Education.

Trimble and Rukavina introduced:

H. F. No. 2723, A bill for an act relating to environment; appropriating money to the commissioner of public safety in order to take certain steps under federal law regarding hazardous substances.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Dauner; Pelowski; Kinkel; Johnson, R., and Kelso introduced:

H. F. No. 2724, A bill for an act relating to workers' compensation; regulating benefit amounts and eligibility; changing the compensation formula to a percentage of the injured employee's after-tax weekly wage; amending Minnesota Statutes 1986, sections 176.011, subdivision 18, and by adding a subdivision; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.132, subdivisions 1 and 2; 176.645, subdivision 2; and 176.66, subdivision 11; Minnesota Statutes 1987 Supplement, sections 176.111, subdivisions 15 and 21; and 176.131, subdivision 8; 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.

Cooper and McDonald introduced:

H. F. No. 2725, A bill for an act relating to agriculture; repealing Laws 1984, chapter 509, section 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Krueger, Poppenhagen and Bertram introduced:

H. F. No. 2726, A bill for an act relating to insurance; requiring the department of health to prepare social, financial, and competitive impact reports for bills or amendments that mandate health insurance coverage.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Jaros and Munger introduced:

H. F. No. 2727, A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

HOUSE ADVISORIES

The following House Advisory was introduced:

Minne, Quinn, Jacobs, Ogren and Begich introduced:

H. A. No. 66, A proposal to study a system for the registration of beer kegs.

The advisory was referred to the Committee on Regulated Industries.

MESSAGES FROM THE SENATE

The following messages were received from 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. 257, A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4, 5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

The Senate has appointed as such committee:

Messrs. Moe, D. M.; Wegscheid and Freeman.

Said House File is herewith returned to the House.

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. 236, A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Stat-

utes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

The Senate has appointed as such committee:

Ms. Peterson, D. C.; Messrs. Luther and Johnson, D. E.

Said House File is herewith returned to the House.

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. 1886, A bill for an act relating to crime; increasing penalties for advertising, selling, and renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 1886 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1886, A bill for an act relating to crime; increasing penalties for advertising, selling, and renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Boo	Carlson, L.	Cooper
Battaglia	Bennett	Brown	Carruthers	Dauner
Bauerly	Bertram	Burger	Clark	Dawkins
Beard	Blatz	Carlson, D.	Clausnitzer	DeBlicke

Dempsey	Johnson, V.	Minne	Peterson	Simoneau
DeRaad	Kalis	Morrison	Poppenhagen	Skoglund
Dille	Kelso	Munger	Price	Sparby
Dorn	Kinkel	Murphy	Quinn	Stanius
Forsythe	Kludt	Nelson, C.	Quist	Steenasma
Frederick	Knickerbocker	Nelson, D.	Redalen	Sviggum
Greenfield	Knuth	Nelson, K.	Reding	Swenson
Gruenes	Kostohryz	O'Connor	Rest	Thiede
Hartle	Krueger	Ogren	Rice	Tjornhom
Haukoos	Larsen	Olsen, S.	Richter	Tompkins
Heap	Lasley	Olsen, E.	Riveness	Tunheim
Himle	Lieder	Olson, K.	Rodosovich	Uphus
Hugoson	Long	Omam	Rose	Valento
Jacobs	Marsh	Onnen	Rukavina	Voss
Jaros	McDonald	Orenstein	Sarna	Wagenius
Jefferson	McEachern	Osthoff	Schafer	Waltman
Jennings	McKasy	Otis	Scheid	Welle
Jensen	McPherson	Ozment	Schreiber	Wenzel
Johnson, A.	Milbert	Pauly	Seaberg	Winter
Johnson, R.	Miller	Pelowski	Segal	Wynia
				Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 232:

S. F. No. 232, A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Cohen, Laidig and Pogemiller.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Seaberg moved that the House accede to the request of the Senate

and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 232. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1575:

S. F. No. 1575, A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Berg, Merriam and Lessard.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Battaglia moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1575. The motion prevailed.

CALENDAR

H. F. No. 1806, A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 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 83 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Himle	Lieder	Pappas	Simoneau
Bauerly	Hugoson	Long	Pauly	Skoglund
Bennett	Jacobs	McEachern	Pelowski	Stanius
Bertram	Jaros	McKasy	Peterson	Sviggum
Blatz	Jefferson	McLaughlin	Price	Swenson
Boo	Jensen	Miller	Quinn	Thiede
Brown	Johnson, A.	Morrison	Quist	Tjornhom
Burger	Johnson, R.	Munger	Reding	Tunheim
Carlson, L.	Kahn	Nelson, C.	Rest	Uphus
Carruthers	Kelly	Nelson, D.	Rice	Vellenga
Dawkins	Kelso	Nelson, K.	Riveness	Voss
Forsythe	Kludt	O'Connor	Rodosovich	Wagenius
Greenfield	Knickerbocker	Ogren	Rukavina	Welle
Gruenes	Knuth	Olsen, S.	Sarna	Wynia
Hartle	Kostohryz	Olson, E.	Schafer	Spk. Vanasek
Haukoos	Larsen	Onnen	Seaberg	
Heap	Lasley	Otis	Segal	

Those who voted in the negative were:

Anderson, G.	Frerichs	McPherson	Ozment	Tompkins
Cooper	Gutknecht	Milbert	Poppenhagen	Waltman
Dauner	Johnson, V.	Minne	Redalen	Wenzel
DeBlieck	Kalis	Neuenschwander	Richter	Winter
Dempsey	Kinkel	Olson, K.	Scheid	
DeRaad	Krueger	Qmann	Schreiber	
Dille	Marsh	Orenstein	Sparby	
Dorn	McDonald	Osthoff	Steenasma	

The bill was passed and its title agreed to.

H. F. No. 1709, A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Begich	Brown	Clark	DeBlieck
Anderson, R.	Bennett	Burger	Clausnitzer	Dempsey
Battaglia	Bertram	Carlson, D.	Cooper	DeRaad
Bauerly	Blatz	Carlson, L.	Dauner	Dille
Beard	Boo	Carruthers	Dawkins	Dorn

Forsythe	Kelso	Murphy	Quinn	Steenasma
Frederick	Kinkel	Nelson, C.	Quist	Sviggum
Frerichs	Kludt	Nelson, D.	Redalen	Swenson
Greenfield	Knickerbocker	Nelson, K.	Reding	Thiede
Gruenes	Knuth	Neuenschwander	Rest	Tjornhom
Gutknecht	Kostohryz	O'Connor	Rice	Tompkins
Hartle	Krueger	Ogren	Richter	Trimble
Haukoos	Larsen	Olsen, S.	Riveness	Tunheim
Heap	Lasley	Olson, E.	Rodosovich	Uphus
Himle	Lieder	Olson, K.	Rose	Valento
Hugoson	Long	Omann	Rukavina	Vellenga
Jacobs	Marsh	Onnen	Sarna	Voss
Jaros	McDonald	Orenstein	Schafer	Wagenius
Jefferson	McEachern	Osthoff	Scheid	Waltman
Jennings	McKasy	Otis	Schreiber	Welle
Jensen	McLaughlin	Ozment	Seaberg	Wenzel
Johnson, A.	McPherson	Pappas	Segal	Winter
Johnson, R.	Milbert	Pauly	Shaver	Wynia
Johnson, V.	Miller	Pelowski	Simoneau	Spk. Vanasek
Kahn	Minne	Peterson	Skoglund	
Kalis	Morrison	Poppenhagen	Sparby	
Kelly	Munger	Price	Stanisus	

The bill was passed and its title agreed to.

S. F. No. 1715 was reported to the House.

There being no objection, S. F. No. 1715 was temporarily laid over on the Calendar.

H. F. No. 1817, A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, 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 93 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Knickerbocker	Nelson, D.	Rest
Battaglia	Greenfield	Knuth	Nelson, K.	Rice
Begich	Gruenes	Kostohryz	O'Connor	Riveness
Bennett	Hartle	Krueger	Ogren	Rodosovich
Bishop	Haukoos	Larsen	Olsen, S.	Rose
Boo	Heap	Lasley	Olson, K.	Sarna
Brown	Himle	Lieder	Orenstein	Schafer
Carlson, L.	Jaros	Long	Osthoff	Scheid
Clark	Jefferson	McEachern	Otis	Schreiber
Clausnitzer	Jensen	McKasy	Ozment	Seaberg
Dawkins	Johnson, A.	McLaughlin	Pappas	Segal
DeBleeck	Johnson, R.	Minne	Pauly	Simoneau
DeRaad	Johnson, V.	Morrison	Pelowski	Skoglund
Dille	Kahn	Munger	Peterson	Sparby
Dorn	Kelly	Murphy	Price	Stanisus
Forsythe	Kinkel	Nelson, C.	Reding	Steenasma

Swenson	Trimble	Vellenga	Welle	Spk. Vanasek
Tjornhom	Tunheim	Voss	Wenzel	
Tompkins	Valento	Wagenius	Wynia	

Those who voted in the negative were:

Anderson, G.	Frerichs	McDonald	Poppenhagen	Uphus
Bauerly	Hugoson	McPherson	Quinn	Waltman
Bertram	Jacobs	Milbert	Quist	Winter
Blatz	Kalis	Miller	Redalen	
Burger	Kelso	Neuenschwander	Rukavina	
Carruthers	Kludt	Omann	Sviggum	
Dauner	Marsh	Onnen	Thiede	

The bill was passed and its title agreed to.

McKasy was excused for the remainder of today's session.

H. F. No. 1940, A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivision 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, 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.	Dorn	Knuth	Olsen, S.	Rose
Battaglia	Forsythe	Kostohryz	Olson, E.	Rukavina
Bauerly	Frederick	Krueger	Olson, K.	Sarna
Beard	Frerichs	Larsen	Omann	Schafer
Begich	Gruenes	Lasley	Onnen	Scheid
Bennett	Hartle	Lieder	Orenstein	Schreiber
Bertram	Haukoos	Long	Osthoff	Seaberg
Bishop	Heap	Marsh	Offis	Segal
Blatz	Himle	McDonald	Ozment	Shaver
Boo	Hugoson	McEachern	Pappas	Simoneau
Brown	Jacobs	McLaughlin	Pauly	Skoglund
Burger	Jaros	McPherson	Pelowski	Sparby
Carlson, D.	Jennings	Milbert	Peterson	Stanius
Carlson, L.	Jensen	Miller	Poppenhagen	Steenasma
Carruthers	Johnson, A.	Minne	Price	Sviggum
Clark	Johnson, R.	Morrison	Quinn	Swenson
Clausnitzer	Johnson, V.	Munger	Quist	Thiede
Cooper	Kahn	Murphy	Redalen	Tjornhom
Dauner	Kalis	Nelson, C.	Reding	Tompkins
Dawkins	Kelly	Nelson, D.	Rest	Trimble
DeBlick	Kelso	Nelson, K.	Rice	Tunheim
Dempsey	Kinkel	Neuenschwander	Richter	Uphus
DeRaad	Kludt	O'Connor	Riveness	Valento
Dille	Knickerbocker	Ogren	Rodosovich	Vellenga

Voss
Wagenius

Waltman
Welle

Wenzel
Winter

Wynia
Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 577, A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; amending Minnesota Statutes 1986, sections 257.071, subdivisions 3 and 4; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155, subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knuth	Omam	Seaberg
Anderson, R.	Frederick	Kostohryz	Onnen	Segal
Battaglia	Frerichs	Krueger	Orenstein	Shaver
Bauerly	Greenfield	Larsen	Osthoff	Simoneau
Beard	Gruenes	Lasley	Otis	Skoglund
Begich	Gutknecht	Lieder	Ozment	Sparby
Bennett	Hartle	Long	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pelowski	Sviggum
Blatz	Himle	McEachern	Peterson	Swenson
Boo	Hugoson	McLaughlin	Poppenhagen	Thiede
Brown	Jacobs	Milbert	Price	Tjornhom
Burger	Jaros	Miller	Quinn	Tompkins
Carlson, D.	Jefferson	Minne	Quist	Trimble
Carlson, L.	Jennings	Morrison	Redalen	Tunheim
Carruthers	Jensen	Munger	Reding	Uphus
Clark	Johnson, A.	Murphy	Rest	Valento
Clausnitzer	Johnson, R.	Nelson, C.	Rice	Vellenga
Cooper	Johnson, V.	Nelson, D.	Richter	Voss
Dauner	Kahn	Nelson, K.	Riveness	Wagenius
Dawkins	Kalis	Neuenschwander	Rodosovich	Waltman
DeBlieck	Kelly	O'Connor	Rose	Welle
Dempsey	Kelso	Ogren	Rukavina	Wenzel
DeRaad	Kinkel	Olsen, S.	Schafer	Winter
Dille	Klutt	Olson, E.	Scheid	Wynia
Dorn	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1715 which was temporarily laid over earlier today on the Calendar was again reported to the House.

S. F. No. 1715, A bill for an act relating to local government;

providing conditions for certain county contracts; amending Minnesota Statutes 1986, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Onnen	Seaberg
Anderson, R.	Frederick	Krueger	Orenstein	Segal
Battaglia	Greenfield	Larsen	Osthoff	Shaver
Bauerly	Gruenes	Lasley	Otis	Simoneau
Beard	Gutknecht	Lieder	Ozment	Skoglund
Begich	Hartle	Long	Pappas	Sparby
Bennett	Haukoos	Marsh	Pauly	Stanius
Bertram	Heap	McDonald	Pelowski	Steenasma
Bishop	Himle	McEachern	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	Milbert	Price	Thiede
Brown	Jaros	Miller	Quinn	Tjornhom
Burger	Jefferson	Minne	Quist	Tompkins
Carlson, D.	Jennings	Morrison	Redalen	Trimble
Carlson, L.	Jensen	Munger	Reding	Tunheim
Carruthers	Johnson, A.	Murphy	Rest	Uphus
Clark	Johnson, R.	Nelson, C.	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Vellenga
Cooper	Kahn	Nelson, K.	Riveness	Wagenius
Dauner	Kalis	Neuenschwander	Rodosovich	Waltman
Dawkins	Kelly	O'Connor	Rose	Welle
DeBlieck	Kelso	Ogren	Rukavina	Wenzel
Dempsey	Kimkel	Olsen, S.	Sarna	Winter
DeRaad	Kludt	Olson, E.	Schafer	Wynia
Dille	Knickerbocker	Olson, K.	Scheid	Spk. Vanasek
Dorn	Knuth	Omann	Schreiber	

The bill was passed and its title agreed to.

Anderson, R.; Riveness and Shaver were excused at 3:30 p.m.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek 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. 1748, 322, 1589, 1755, 1804, 1838, 1844, 1855, 1913 and 1923 were recommended to pass.

H. F. Nos. 1627 and 1777 were recommended for progress.

H. F. Nos. 1705, 718 and 1979 were recommended for progress retaining their places on General Orders.

H. F. No. 297 was recommended for progress until Thursday, March 17, 1988, retaining its place on General Orders.

H. F. No. 1244 was recommended for re-referral to the Committee on Judiciary.

S. F. No. 1594 which it recommended to pass with the following amendment offered by Greenfield:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 245A.02, subdivision 13, is amended to read:

Subd. 13. [INDIVIDUAL WHO IS RELATED.] "Individual who is related" means a spouse, a parent, a natural or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian.

Sec. 2. Minnesota Statutes 1987 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education programs that are operated by the commissioner of education or a legally constituted local school board, or private schools that have been approved under the rules of the commissioner of education school as defined in section 120.101, subdivision 4;

(6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for ~~more than five or more persons~~ whose primary diagnosis is mental illness or ~~mental retardation~~ who have refused services in a an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1989;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs not located in family or group family day care homes whose primary purpose is to provide activities outside of the regular school day for children age five and older, until such time as appropriate rules have been adopted by the commissioner;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) ~~family day care~~ nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period; or

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before issuing a license, the commissioner shall conduct a study of the applicant. The applicant, the bureau of criminal apprehension, county attorneys, county sheriffs, county agencies, and local chiefs of police, after notice to the subject of the data, shall help with the study by giving the commissioner criminal conviction data, arrest information, reports about abuse or neglect of children or adults, and investigation results available from local, state, and national criminal record repositories, including the criminal justice data communications network, about:

- (1) the applicant;
- (2) persons living in the household where the licensed program will be provided;
- (3) employees or contractors of the applicant who will have direct contact with persons served by the program; and
- (4) volunteers who have direct contact with persons served by the program, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The commissioner and agencies required to help conduct the study may charge the applicant or the subject of the data a reasonable fee for conducting the study.

(b) A study must meet the following minimum criteria:

(1) if the subject of the data has resided in the same county for at least the past five years, the study must include information from the county sheriff, the local chief of police, and the county attorney agency;

(2) if the subject of the data has resided in the state, but not in the same county, for the past five years, the study must include information from the agencies listed in clause (1) and the bureau of criminal apprehension; and

(3) if the subject of the data has not resided in the state for at least five years, the study must include information from the agencies listed in clauses (1) and (2) and the national criminal records repository and the state law enforcement agencies in the states where the subject of the data has maintained a residence during the past five years.

(c) An applicant's failure or refusal to cooperate with the commis-

sioner is reasonable cause to deny an application or revoke or suspend a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(d) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245A.04, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER'S RIGHT OF ACCESS.] When the commissioner is exercising the powers conferred by sections 245A.01 to 245A.15, the commissioner must be given access to the physical plant and grounds where the program is provided, documents, persons served by the program, and staff whenever the program is in operation and the information is relevant to inspections or investigations conducted by the commissioner. The commissioner must be given access without prior notice and as often as the commissioner considers necessary if the commissioner is conducting an investigation of allegations of abuse, neglect, or other violation of applicable laws or rules. In conducting inspections, the commissioner may request and shall receive assistance from other state, county, and municipal governmental agencies and departments. The applicant or license holder shall allow the commissioner to photocopy, photograph, and make audio and video tape recordings during the inspection of the program at the commissioner's expense. The commissioner shall obtain a court order or the consent of the subject of the records or the parents or legal guardian of the subject before photocopying hospital medical records.

Persons served by the program have the right to refuse to consent to be interviewed, photographed, or audio or videotaped. Failure or refusal of an applicant or license holder to fully comply with this subdivision is reasonable cause for the commissioner to deny the application or immediately suspend or revoke the license.

Sec. 5. Minnesota Statutes 1987 Supplement, section 245A.095, subdivision 1, is amended to read:

Subdivision 1. Residential programs for five or more persons with a mental illness must be licensed under sections 245A.01 to 245A.16. To assure that this requirement is met, the commissioner of health, in cooperation with the commissioner of human services, shall monitor licensed boarding care homes, board and lodging houses, and supervised living facilities.

By January 1, 1989, the commissioner of health shall recommend

to the legislature an appropriate method for enforcing this requirement.

Sec. 6. Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 5, is amended to read:

Subd. 5. [OVERCONCENTRATION AND DISPERSAL.] (a) Before January 1, 1985, each county having two or more group residential programs within 1,320 feet of each other shall submit to the department of human services a plan to promote dispersal of group residential programs. In formulating its plan, the county shall solicit the participation of affected persons, programs, municipalities having highly concentrated residential program populations, and advocacy groups. For the purposes of this subdivision, "highly concentrated" means having a population in residential programs serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(b) Within 45 days after the county submits the plan, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements:

(1) a new program serving seven or more persons must not be located in any recognized planning district or other administrative subdivision where the population in residential programs is highly concentrated;

(2) the county plan must promote dispersal of highly concentrated residential program populations;

(3) the county plan shall promote the development of residential programs in areas that are not highly concentrated;

(4) no person in a residential program shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement;

(5) if the plan provides for the relocation of residential programs, the relocation must be completed by January 1, 1990. If the commissioner certifies that the plan does not do so, the commissioner shall state the reasons, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner.

(c) After July 1, 1985, the commissioner may reduce grants under section 245.73 to a county required to have an approved plan under paragraph (a) if the county does not have a plan approved by the commissioner or if the county acts in substantial disregard of its

approved plan. The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision made in accordance with the contested case provisions of chapter 14.

Sec. 7. Minnesota Statutes 1987 Supplement, section 245A.13, subdivision 5, is amended to read:

Subd. 5. [TERMINATION.] An involuntary receivership terminates ~~18~~ 12 months after the date on which it was ordered or at any other time designated by the court or when any of the following events occurs:

(1) the commissioner determines that the residential program's license application should be granted or should not be suspended or revoked;

(2) a new license is granted to the residential program; or

(3) the commissioner determines that all persons residing in the residential program have been provided with alternative residential programs.

Sec. 8. Minnesota Statutes 1986, section 466.132, is amended to read:

466.132 [INDEMNIFICATION BY STATE.]

Municipalities, when performing, as required or mandated by state law, inspections or investigations of persons prior to the issuance of state licenses, are employees of the state for purposes of the indemnification provisions of section 3.736, subdivision 9. A municipality is not, however, an employee of the state for purposes of this section if in hiring, supervising, or continuing to employ the person performing an inspection or investigation for the municipality, the municipality was clearly negligent. In no event shall the state be obligated to defend or indemnify a municipality for inspections or investigations relating to licensing to the extent of insurance purchased by the municipality covering liability therefor. The municipality's right to indemnity shall not be considered a waiver of the limitations, defenses, and immunities available to the municipality and state by law.

Sec. 9. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; and 245A.13, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5."

H. F. No. 1922 which it recommended to pass with the following amendment offered by Quist:

Page 1, after line 7, insert:

"Section 1. [617.252] [SALE OF CONTRACEPTIVES; PROHIBITED ON SCHOOL GROUNDS.]

Instruments, articles, drugs or medicines to prevent conception shall not be sold or distributed on the school ground, schoolhouse or school building of a public or private elementary or secondary school. Anyone convicted of violating this section shall be guilty of a misdemeanor."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after the semicolon insert "prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds;"

Page 1, line 4, after "disease;" insert "prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617;"

On the motion of Wynia 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:

Quist moved to amend H. F. No. 1922, as follows:

Page 1, after line 7, insert:

“Section 1. [617.252] [SALE OF CONTRACEPTIVES; PROHIBITED ON SCHOOL GROUNDS.]

Instruments, articles, drugs or medicines to prevent conception shall not be sold or distributed on the school ground, schoolhouse or school building of a public or private elementary or secondary school. Anyone convicted of violating this section shall be guilty of a misdemeanor.”

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after the semicolon insert “prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds;”

Page 1, line 4, after “disease;” insert “prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617;”

The question was taken on the Quist amendment and the roll was called. There were 81 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dille	Knickerbocker	Omann	Schafer
Beard	Dorn	Krueger	Onnen	Schreiber
Begich	Forsythe	Lasley	Ozment	Seaberg
Bennett	Frederick	Lieder	Pauly	Sparby
Blatz	Frerichs	Marsh	Pelowski	Stanius
Boo	Gruenes	McDonald	Peterson	Steensma
Brown	Gutknecht	McEachern	Poppenhagen	Sviggum
Burger	Heap	McPherson	Price	Swenson
Carlson, D.	Himle	Miller	Quinn	Thiede
Carlson, L.	Hugoson	Morrison	Quist	Tjornhom
Clausnitzer	Jensen	Munger	Redalen	Tompkins
Cooper	Johnson, R.	Murphy	Rice	Uphus
Dauner	Johnson, V.	Nelson, D.	Richter	Valento
DeBlieck	Kalis	O'Connor	Rodosovich	Wagenius
Dempsey	Kelso	Ogren	Rose	Waltman
DeRaad	Kinkel	Olsen, S.	Sarna	Wenzel
				Winter

Those who voted in the negative were:

Anderson, G.	Jaros	Long	Orenstein	Skoglund
Carruthers	Jefferson	McLaughlin	Otis	Trimble
Clark	Johnson, A.	Minne	Pappas	Vellenga
Dawkins	Kahn	Nelson, C.	Rukavina	Voss
Greenfield	Kelly	Neuenschwander	Segal	Welle
Jacobs	Larsen	Olson, K.	Simoneau	Wynia
				Spk. Vanasek

The motion prevailed and the amendment was adopted.

MOTIONS AND RESOLUTIONS

Krueger moved that the names of Wenzel, Bauerly and Nelson, C., be added as authors on H. F. No. 1000. The motion prevailed.

McEachern moved that the name of Nelson, K., be stricken and the name of Wenzel be added as an author on H. F. No. 1878. The motion prevailed.

McLaughlin moved that the name of Sparby be added as an author on H. F. No. 2038. The motion prevailed.

Sparby moved that the name of Battaglia be stricken and the name of Stanius be added as an author on H. F. No. 2185. The motion prevailed.

Onnen moved that the name of Bauerly be added as an author on H. F. No. 2301. The motion prevailed.

Bertram moved that the name of Omann be added as an author on H. F. No. 2354. The motion prevailed.

Reding moved that the name of Dauner be added as an author on H. F. No. 2401. The motion prevailed.

Bauerly moved that the name of Tunheim be added as an author on H. F. No. 2420. The motion prevailed.

Quinn moved that the name of Skoglund be added as an author on H. F. No. 2436. The motion prevailed.

Price moved that the name of O'Connor be added as an author on H. F. No. 2452. The motion prevailed.

Clausnitzer moved that his name be stricken as an author on H. F. No. 2492. The motion prevailed.

Wenzel moved that the name of Bauerly be added as an author on H. F. No. 2646. The motion prevailed.

Stanius moved that the name of Jacobs be added as an author on H. F. No. 2695. The motion prevailed.

Wynia moved that the name of Simoneau be shown as chief author on H. F. No. 877. The motion prevailed.

Kelso moved that S. F. No. 1574 be recalled from the Committee on

Metropolitan Affairs and be re-referred to the Committee on Local and Urban Affairs. The motion prevailed.

Rest, Cooper and Jensen introduced:

House Concurrent Resolution No. 24, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Frerichs; McEachern; Tompkins; Olsen, S., and Carlson, L., introduced:

House Concurrent Resolution No. 25, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Scheid, Sviggum, Knickerbocker, Osthoff and Morrison introduced:

House Concurrent Resolution No. 26, A House concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Rodosovich and Vanasek introduced:

House Resolution No. 50, A House resolution observing Deaf Heritage Week and the 125th Anniversary of the Minnesota State Academy for the Deaf.

The resolution was referred to the Committee on Rules and Legislative Administration.

Murphy introduced:

House Resolution No. 51, A House resolution commemorating the 100th anniversary of Canosia Township.

The resolution was referred to the Committee on Rules and Legislative Administration.

Schreiber moved that the House invite the Senate to meet in Joint Convention, at a date and time not later than March 30, 1988, to be specified by the Speaker, for the following reasons:

1. So that the convention may consider whether viva voce votes cast in Joint Convention on Wednesday, April 15, 1987, electing new members to the University of Minnesota Board of Regents should be reconsidered, and;

2. So that continued service by each member of the University of Minnesota Board of Regents may be encouraged or discouraged by the approval or disapproval of the Joint Convention.

Schreiber further moved that additional appropriations to the University of Minnesota not be made until continued service by each member of the Board of Regents, including those not elected by the current legislature, has been approved by action of the Joint Convention.

A roll call was requested and properly seconded.

Wynia moved that the Schreiber motion be referred to the Committee on Higher Education. The motion prevailed and the Schreiber motion was referred to the Committee on Higher Education.

Cooper moved that H. F. No. 2725 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 232:

Seaberg, Kelly and Bishop.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1575:

Battaglia, Munger and Rose.

MOTION FOR RECONSIDERATION

Schreiber moved that the vote whereby the Schreiber motion was referred to the Committee on Higher Education earlier today be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 45 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Jennings	Olsen, S.	Schreiber
Bennett	Forsythe	Johnson, V.	Omann	Seaberg
Blatz	Frederick	Kelso	Onnen	Stanisus
Boo	Frerichs	Knickerbocker	Pauly	Swenson
Brown	Gruenes	Marsh	Poppenhagen	Thiede
Burger	Haukoos	McDonald	Quist	Tjornhom
Clausnitzer	Heap	McPherson	Redalen	Tompkins
Dempsey	Himle	Miller	Richter	Valento
DeRaad	Hugoson	Morrison	Schafer	Waltman

Those who voted in the negative were:

Battaglia	Jefferson	McEachern	Osthoff	Simoneau
Bauerly	Jensen	McLaughlin	Otis	Skoglund
Beard	Johnson, A.	Milbert	Pappas	Sparby
Begich	Johnson, R.	Minne	Pelowski	Steensma
Bertram	Kahn	Munger	Peterson	Sviggum
Carlson, L.	Kalis	Murphy	Price	Trimble
Carruthers	Kelly	Nelson, C.	Quinn	Tunheim
Clark	Kinkel	Nelson, D.	Reding	Vellenga
Cooper	Kludt	Nelson, K.	Rest	Voss
Dauner	Knuth	Neuenschwander	Rice	Wagenius
Dawkins	Krueger	O'Connor	Rodosovich	Welle
DeBlicck	Larsen	Ogren	Rose	Wenzel
Dorn	Lasley	Olson, E.	Sarna	Winter
Greenfield	Lieder	Olson, K.	Scheid	Wynia
Jacobs	Long	Orenstein	Segal	Spk. Vanasek

The motion did not prevail.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, March 14, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, March 14, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 14, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Bruce Talso, Crystal Assembly of God Church, Crystal, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Kostohryz	Omann	Schreiber
Anderson, R.	Frerichs	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Larsen	Orenstein	Segal
Bauerly	Gruenes	Lasley	Osthoff	Simoneau
Beard	Gutknecht	Lieder	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Haukoos	Marsh	Pappas	Sparby
Bertram	Heap	McDonald	Pauly	Stanius
Bishop	Himle	McEachern	Pelowski	Steensma
Blatz	Hugoson	McKasy	Peterson	Sviggum
Boo	Jacobs	McLaughlin	Poppenhagen	Swenson
Brown	Jaros	McPherson	Price	Thiede
Burger	Jefferson	Milbert	Quinn	Tjornhom
Carlson, D.	Jennings	Miller	Quist	Tompkins
Carlson, L.	Jensen	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Morrison	Reding	Tunheim
Clark	Johnson, R.	Munger	Rest	Uphus
Cooper	Johnson, V.	Murphy	Rice	Valento
Dauner	Kahn	Nelson, C.	Richter	Vellenga
Dawkins	Kalis	Nelson, D.	Riveness	Voss
DeBlieck	Kelly	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kelso	O'Connor	Rose	Waltman
DeRaad	Kinkel	Ogren	Rukavina	Welle
Dille	Kludt	Olsen, S.	Sarna	Wenzel
Dorn	Knickerbocker	Olson, E.	Schafer	Winter
Forsythe	Knuth	Olson, K.	Scheid	Wynia
				Spk. Vanasek

A quorum was present.

Nelson, K., was excused.

Clausnitzer and Shaver were excused until 2:45 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Larsen 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. 1774, 1794, 1819, 1971, 2016, 2185, 2246, 2272, 2419, 2422, 2434, 2468, 2470, 2508, 2568, 2630, 2637, 1681, 1961, 1983, 2042, 2117, 2190, 2224, 2296, 2487, 1643, 2011 and 1922 and S. F. No. 1594 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 10, 1988

The Honorable Robert Vanasek
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 1988 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 1988</i>	<i>Date Filed 1988</i>
236		406	March 10	March 10
1184		407	March 10	March 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 4, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize certain lotteries.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 684, A bill for an act relating to transportation; creating a state institutions town road account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 162.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to 20 percent of the county turnback account must be expended, ~~within counties having two or more towns,~~ on town road bridge structures that are 10 feet or more in length and on town road culverts that replace existing town road bridges. In addition, if the present bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. The expenditures on bridge structures and culverts may be on a matching basis, and if on a matching basis, not more than 90 percent of the cost of a bridge structure or culvert may be paid from the county turnback account.

An amount equal to 37 percent of the county turnback account must be set aside as a town road account and distributed as provided in section 162.081.

Sec. 2. [162.55] [STATE INSTITUTIONS ROAD AND HIGHWAY ACCOUNT.]

A state institutions road and highway account is created in the state treasury. Money in the account is appropriated to the commissioner of transportation to pay state aid to towns, cities, and counties to maintain and improve roads, streets, and highways that:

(1) do not otherwise receive state aid under this chapter; and

(2) provide substantial access to a state institution or a unit of the state outdoor recreation system as defined in section 86A.04.

The balance in the account must not be canceled. Distribution of money in the account is governed by a committee appointed by the commissioner of transportation, consisting of a county highway engineer, a county board member, a city council member, and two town supervisors. Roads, streets, and highways maintained or improved with money from this account must meet the same maintenance standards that apply to roads, streets, and highways that are maintained or improved with money from the state-aid system, except that town roads maintained with money from this account must meet the maintenance standards that apply to town roads maintained with money from the town road account in the county state-aid highway fund.

Sec. 3. [APPROPRIATION.]

The sum of \$200,000 is appropriated from the general fund to the state institutions road and highway account created in section 2."

Delete the title and insert:

"A bill for an act relating to transportation; creating a state institutions road and highway account; appropriating money; amending Minnesota Statutes 1986, section 161.082, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 162."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 1100, A bill for an act relating to education; establishing the state board of Minnesota colleges; prescribing powers, transferring functions; requiring report; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [ADVISORY TASK FORCE.]

A task force shall be established to study the governance options for post-secondary education between the state university system, community college system, and technical institute system. The task force shall consider issues related to system mission differentiation, facilities, employment contracts, implementation, and other related concerns. The advisory task force shall be appointed by the chairs of the senate education and house higher education committees and house appropriations and senate finance divisions. Members shall include: one legislator from each of those committees and divisions; two representatives of the community colleges; two representatives of the technical institutes; two representatives of the state universities; two representatives of labor; two representatives of business; one student representative each from the community colleges and technical institutes; two members appointed by the Minnesota school boards association; a member of the HECB staff; a representative of the department of employee relations; and a mediator from the bureau of mediation services. The task force shall select a chair. Staffing shall be provided by senate counsel and research and house research. The advisory task force shall report its recommended procedures to the legislature by February 1, 1989.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the advisory task force for expenses."

Amend the title accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1346, A bill for an act relating to crime; imposing criminal penalties on persons who sign certain documents with a false or fictitious name; amending Minnesota Statutes 1986, section 171.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a, is amended to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of \$75. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the chemical dependency assessment charge and within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period. The commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 169.126, subdivision 4a.

The chemical dependency assessment charge required under this section is in addition to the surcharge required by section 609.101.

Sec. 2. Minnesota Statutes 1986, section 169.91, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] When any person is arrested for any violation of any law or ordinance relating to the operation or registration of vehicles punishable as a petty misdemeanor, misdemeanor, gross misdemeanor, or felony, the arrested person shall be taken into custody and immediately taken before a judge within the county in which the offense charged is alleged to have been committed and who has jurisdiction over the offenses and is nearest or most accessible with reference to the place where the arrest is made, in any of the following cases:

(1) When a person arrested demands an immediate appearance before a judge;

(2) When a person is arrested and charged with an offense under this chapter causing or contributing to an accident resulting in injury or death to any person;

(3) When the person is arrested upon a charge of negligent homicide;

(4) When the person is arrested upon a charge of driving or

operating or being in actual physical control of any motor vehicle while under the influence of intoxicating liquor or drugs;

(5) When the person is arrested upon a charge of failure to stop in the event of an accident causing death, personal injuries, or damage to property;

(6) When there is reasonable cause for believing that the person arrested may leave the state, except as provided in subdivision 4;

(7) ~~In any other event when the person arrested refused to give a promise in writing to appear in court, as provided in subdivision 3.~~

Sec. 3. Minnesota Statutes 1986, section 169.91, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO APPEAR.] When a person is arrested for any violation of any law or ordinance relating to motor vehicles, their registration or their operation, or the use of the highways, the arresting officer shall prepare a written notice to appear in court. This place must be before a judge within the county in which the offense charged is alleged to have been committed who has jurisdiction and is nearest or most accessible with reference to the place of arrest.

~~In order to secure release, if the arrested person is eligible for release, without being taken into custody and immediately taken before a judge, as provided in this section, the arrested person must give a promise in writing to appear in court by signing the written notice prepared by the arresting officer. The officer shall retain the original of the notice and deliver the copy marked "SUMMONS" to the person arrested. The officer shall then release the person arrested from custody.~~

Sec. 4. Minnesota Statutes 1986, section 169.92, is amended to read:

169.92 [FAILURE TO APPEAR.]

Subdivision 1. Any person willfully ~~violating the person's written promise failing to appear in court, given as provided in required by~~ sections 169.90 to 169.95, is guilty of a misdemeanor, provided the person is found guilty of the charge upon which originally arrested. ~~A written promise to person may appear in court may be complied with by either in person or through an appearance by counsel.~~

Subd. 2. When a nonresident is released upon a ~~promise in writing fails to appear and has not appeared in court or complied comply~~ with other orders of the court regarding the appearance or proceed-

ings, the court shall notify the commissioner of public safety of the nonappearance upon a form provided by the commissioner.

Subd. 3. Upon receipt of notice from the court that the nonresident did not appear in court following release from custody upon the nonresident's promise in writing to appear, the commissioner of public safety shall forward a copy of the report to the driver licensing authority of the state, district, territory, possession or province of residence of the person.

Subd. 4. (a) Upon receiving a report from the driver licensing authority of a state, district, territory or possession of the United States or a province of a foreign country which has an agreement in effect with this state pursuant to section 169.91 that a resident of this state or a person licensed as a driver in this state did not appear in court following written promise to appear in compliance with the terms of the citation in the party jurisdiction, the commissioner of public safety shall notify the driver that the driver's license will be suspended unless the commissioner receives notice within 30 days that the driver has appeared in the appropriate court of the other jurisdiction. If the commissioner does not receive notice of the appearance of the Minnesota resident in the appropriate court within 30 days of the date of the commissioner's notice to the driver, the commissioner may suspend the person's driver's license.

(b) The order of suspension shall indicate the reason for the order and shall notify the person that the person's license shall remain suspended until the person has furnished evidence, satisfactory to the commissioner, of compliance with any order entered by the court.

(c) Suspension shall be ordered under this subdivision only when the report from the other jurisdiction clearly identifies the person arrested; describes the violation, specifying the section of the traffic law, ordinance or rule violated; indicates the location and date of the offense; and describes the vehicle involved and its registration number.

Sec. 5. Minnesota Statutes 1986, section 169.99, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. There shall also be included on the uniform ticket a receipt in lieu of bail which, when signed by the defendant, shall be a guarantee by the defendant to appear in the court having jurisdiction over the matter. The uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized

so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the department of public safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper;

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the traffic violations bureau, and a plea of guilty and waiver, printed on off-white tag stock.

Sec. 6. Minnesota Statutes 1986, section 169.99, subdivision 2, is amended to read:

Subd. 2. ~~The attorney general commissioner of public safety shall by rule promulgated in the manner provided by law prescribe the detailed form of the uniform traffic ticket, and shall revise the uniform ticket on such subsequent occasions as the attorney general deems necessary and proper to keep the uniform ticket in conformity with highway traffic rules. In the manner provided by law the attorney general shall give notice to all interested parties of a hearing to be held prior to the promulgation of the uniform traffic ticket or any changes therein. The uniform traffic ticket shall not be in mandatory use throughout the state until 18 months after the attorney general has first promulgated the uniform traffic ticket and the attorney general shall enforce the uniformity of the promulgated traffic ticket throughout the state and federal law. The rulemaking provisions of chapter 14 do not apply to this subdivision.~~

Sec. 7. Minnesota Statutes 1986, section 171.01, subdivision 13, is amended to read:

Subd. 13. [CONVICTION.] The term "conviction" means a final conviction either after trial or upon a plea of guilty; also a forfeiture of cash or collateral deposited to guarantee a defendant's appearance in court, which forfeiture has not been vacated, or a breach of a condition of release without bail, ~~including violation of a written promise to appear,~~ is equivalent to a conviction.

Sec. 8. Minnesota Statutes 1986, section 171.08, is amended to read:

171.08 [LICENSEE TO HAVE LICENSE IN POSSESSION.]

Every licensee shall have the license in immediate possession at all times when operating a motor vehicle and shall display it upon demand of a peace officer, an authorized representative of the department, or an officer authorized by law to enforce the laws relating to the operation of motor vehicles on public streets and highways. Unless the person is the holder of a limited license issued under section 171.30, no person charged with violating the possession requirement shall be convicted if the person produces in court or the office of the arresting officer a driver's license previously issued to that person for the class of vehicle being driven which was valid at the time of arrest or satisfactory proof that at the time of the arrest the person was validly licensed for the class of vehicle being driven. The licensee shall also, upon request of any officer, write the licensee's name in the presence of the officer to determine the identity of the licensee.

Sec. 9. Minnesota Statutes 1986, section 171.22, is amended to read:

171.22 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to display, or cause or permit to be displayed, or have in possession, any canceled, revoked, suspended, fictitious, or fraudulently altered driver's license; ~~or~~

(2) to lend the person's driver's license to any other person or knowingly permit the use thereof by another; ~~or~~

(3) to display or represent as one's own any driver's license not issued to that person; ~~or~~

(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license which has been suspended, revoked, or canceled; ~~or~~

(5) to use a ~~false~~ ~~or~~ fictitious name or date of birth to any police officer or in any application for a driver's license, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application; ~~or~~

(6) to alter any driver's license, or to counterfeit or make any fictitious license; ~~or~~

(7) to take any part of the driver's license examination for another or to permit another to take the examination for that person; or

(8) to use the name of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Subd. 2. [PENALTIES.] Any person who violates subdivision 1, clause (8), is guilty of a gross misdemeanor. Any person who violates any other provision of subdivision 1 is guilty of a misdemeanor.

Sec. 10. [EFFECTIVE DATE.]

Section 9 is effective August 1, 1988, and applies to crimes committed on or after that date. Sections 1 to 8 are effective August 1, 1988.

Delete the title and insert:

“A bill for an act relating to traffic regulation; requiring courts to forward chemical dependency assessment charges to the commissioner of finance within 60 days of sentencing; removing obsolete language from the traffic law and the uniform traffic ticket; changing the manner in which the uniform traffic ticket is revised; requiring limited licenseholders to possess the limited license at all times when operating a motor vehicle; increasing penalties for using a false identity to a police officer or in a driver’s license application; amending Minnesota Statutes 1986, sections 169.91, subdivisions 1 and 3; 169.92; 169.99, subdivisions 1 and 2; 171.01, subdivision 13; 171.08; and 171.22; and Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1469, A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1986, section 169.80, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than

section 169.81, subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two-wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements on interstate highways and movements exceeding 50 miles on noninterstate highways of oversize vehicles and loads when the vehicles or combination of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 14 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sundays after 12 o'clock noon, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds ten feet, six inches; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24."

Page 1, line 20, delete everything after the period

Page 1, delete line 21

Renumber the section in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 169.80, subdivision 1; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1498, A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.29 for one year, and by January 1, 1990, at least 40 51 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.29 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

Sec. 2. Minnesota Statutes 1986, section 62D.07, subdivision 3, is amended to read:

Subd. 3. ~~An evidence~~ Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature and requirements for referrals, prior authorizations, and second opinions;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following: The statement must be captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) REFERRALS: Certain services which are covered are available only by referral. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization). Your contract explains referral procedures.

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available 24-hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

Sec. 3. Minnesota Statutes 1986, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07 2, subdivision 3, paragraph paragraphs (b) and (c). Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner of health, or, if applicable, the employer.

(b) Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:

(1) health care services not provided;

(2) health care services requiring copayments or deductibles paid by enrollees;

(3) the fact that access to health care services does not guarantee access to a particular provider type; and

(4) health care services that are or may be provided only by referral of a physician.

(c) No marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraph (b) are not required on billboards or image, and name identification advertisement.

Sec. 4. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 4. Every health maintenance organization shall provide the information described in section 2, subdivision 3, paragraphs (b) and (c), to enrollees or their representatives on request, within a reasonable time. Information on how to obtain referrals, prior authorization, or second opinion shall be given to the enrollee or an enrollee's representative in person or by telephone within one business day following the day the health maintenance organization or its representative receives the request for information.

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must:

(1) identify the health maintenance organization;

(2) include the name, address, and telephone number to call if the enroller has a complaint;

(3) include the telephone number to call or the instruction on how to receive authorization for emergency care; and

(4) include the telephone number to call to appeal to the commissioner of health.

Sec. 6. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 3. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the health maintenance organization concerning a refusal of service or inadequacy of services, the health maintenance organization shall provide the enrollee with a written statement of the reason for the refusal of service, and a statement approved by the commissioner of health which explains the health maintenance organization complaint procedures, and in the case of Medicare enrollees, which also explains Medicare appeal procedures.

Sec. 7. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 4. [COVERAGE OF SERVICE.] A health maintenance organization may not deny or limit coverage of a service which the enrollee has already received:

(1) solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the health maintenance organization had prior authorization or second opinion been obtained; or

(2) from a nonparticipating provider, if (i) the service was ordered or recommended by a participating provider; (ii) the service would otherwise be covered, or was part of a discharge plan of a participating provider; and (iii) the enrollee was not given prior written notice stating that this service by a nonparticipating provider would not be covered, and listing the participating providers of this service available in the enrollee's area.

Sec. 8. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 7. [RETALIATORY ACTION PROHIBITED.] No health maintenance organization may take retaliatory action against a provider solely on the grounds that the provider disseminated information regarding coverage of benefits or benefit limitations of an enrollee's contract or interpreted provisions of the provider agreement that limit the prescribing, providing, or ordering of care.

Sec. 9. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. [PRIOR AUTHORIZATION AND APPROVAL.] Questions regarding prior authorization and approval are the responsibility of the provider, not the enrollee. Each health maintenance organization shall establish a telephone number, which need not be toll-free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone

number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 10. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. [RULEMAKING.] The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. [PRIOR AUTHORIZATION.] The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 11. [QUALITY ASSURANCE.]

The commissioner of health shall prepare a report to the legislature before January 15, 1989, that describes the state's efforts to assess and to improve quality assurance standards of health maintenance organizations licensed under chapter 62D. The commissioner of human services shall contribute information and data from the state's programs to enroll medical assistance recipients in prepayment plans. The report shall provide recommendations for improvement of health maintenance organization quality assurance mechanisms and operating procedures to the legislature and the health maintenance organizations.

Sec. 12. [MANDATED BENEFITS.]

The commission on health plan regulatory reform, established by Laws 1987, chapter 370, shall address the issues related to mandated benefits. Consumer choice and access to the most appropriate and cost-effective health care providers must be investigated and considered in light of the structure of managed care plans that are being designed and offered currently. The commission shall consider the long-term savings associated with a broad choice of provider groups available to consumers.

Sec. 13. [EFFECTIVE DATES.]

Section 3, subdivision 1, paragraph (a) is effective August 1, 1988. Section 2 and the remaining provisions of section 3 are effective January 1, 1989. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; prohibiting retaliatory action; specifying procedures for prior approval; requiring report; amending Minnesota Statutes 1986, sections 62D.06, subdivision 1; 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; 62D.12, by adding subdivisions; and 62D.20."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1526, A bill for an act relating to transportation; motor carriers; requiring brakes for towed vehicles over 3,000 pounds; requiring brakes on all wheels of motor vehicles; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.67, subdivision 3, is amended to read:

Subd. 3. [TRAILERS, SEMITRAILERS, TANK TRAILERS.] Every trailer, semitrailer, or other vehicle of a gross weight of 1,500 pounds or more, when drawn or pulled upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and to hold such vehicle, and so designed as to be applied by the driver of a towing motor vehicle from its cab, except (a) trailers owned by farmers when transporting agricultural products produced on the owner's farm or supplies back to the farm of the owner of the trailer, (b) custom service vehicles drawn by motor vehicles equipped with brakes capable of stopping both vehicles within the distance required by law for vehicles with four-wheel brakes and contractors' custom service vehicles not exceeding 30,000 pounds gross weight and 45 miles per hour when drawn by a motor vehicle capable of stopping the combination within the performance standards of subdivision 5, (c) trailers or semitrailers when used by retail dealers delivering implements of husbandry, (d) motor vehicles drawn by motor vehicles equipped with brakes capable of stopping the combination of vehicles within the performance requirements of this section, (e) tank trailers not exceeding 8,500 pounds gross weight used solely for transporting liquid fertilizer or gaseous fertilizer under pressure, or distributor trailers not exceeding 8,500 pounds gross weight used solely for transporting and distributing dry fertilizer, when hauled by a truck capable of stopping with loaded trailer attached in the distance specified by subdivision 5 for vehicles equipped with four-wheel brakes, providing the gross weight of such trailer or semitrailer other than those described in clause (e) when drawn by a pleasure vehicle shall not exceed 3,000 pounds, or when drawn by a truck or tractor shall not exceed 6,000 pounds, and except disabled vehicles towed to a place of repair.

Sec. 2. Minnesota Statutes 1986, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every new motor vehicle, trailer, or semitrailer, sold in this state manufactured after June 30, 1988, and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motorcycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a house trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of vehicles manufactured before July 1, 1988, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to

stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to transportation; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1534, A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1586, A bill for an act relating to education; establishing a regent candidate advisory council to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1630, A bill for an act relating to child abuse; requiring a clergyman who knows or has reason to believe a child is being

abused to report the information to law enforcement authorities or the local welfare agency; amending Minnesota Statutes 1986, section 626.556, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT] (a)(1) A professional or the professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; and (2) a professional who is a member of the clergy or other minister of any religion who knows or has reason to believe a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, police department, or the county sheriff. Provided, that a member of the clergy or other minister of any religion is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c). The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person mandated to report shall, upon request to the local welfare agency, receive a summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours."

Amend the title as follows:

Page 1, line 2, delete "clergyman" and insert "member of the clergy"

Page 1, line 6, delete "1986" and insert "1987 Supplement"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1634, A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; establishing state policy for certain inspections; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245.783, by adding a subdivision; 245.884; 256.01, subdivision 2; 268.91, subdivision 4, and by adding a subdivision; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 256.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.04, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) approve all computer plans and contracts, and oversee the state's data processing system;

(4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(5) manage and control state property, real and personal;

(6) maintain and operate all state buildings including the state capitol building and grounds;

(7) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

(8) provide central duplicating, printing, and mail facilities;

(9) oversee publication of official documents and provide for their sale;

(10) manage and operate parking facilities for state employees and a central motor pool for travel on state business; and

(11) establish and administer a state building code; and

~~(12) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.~~

Sec. 2. Minnesota Statutes 1986, section 16B.39, is amended by adding a subdivision to read:

Subd. 3. [DAY CARE FOR STATE EMPLOYEES.] The commissioner must provide rental space within the capitol complex for a

private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245A.04, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS; WAIVER.] (a) Before issuing a license, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

- (1) an inspection of the physical plant;
- (2) an inspection of records and documents;
- (3) an evaluation of the program by consumers of the program; and
- (4) observation of the program in operation.

For the purposes of this subdivision, "consumer" means a person who receives the services of a licensed program, the person's legal guardian, or the parent or individual having legal custody of a child who receives the services of a licensed program.

(b) The evaluation required in paragraph (a), clause (3) or the observation in paragraph (a), clause (4) is not required prior to issuing a provisional license under subdivision 7. If the commissioner issues a provisional license under subdivision 7, these requirements must be completed within one year after the issuance of a provisional license. The observation in paragraph (a), clause (4) is not required if the commissioner determines that the observation would hinder the persons receiving services in benefiting from the program.

(c) The licensing authority must make one unannounced inspection of day care facilities licensed under this chapter each year they are licensed. If a violation is found during inspection or a complaint is filed against the operator, a second unannounced inspection may be made.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [ACCREDITATION OF DAY CARE PROGRAMS.] The commissioner shall encourage day care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall allow a credit toward the license fees of licensed day care operators who obtain accreditation in an amount equal to the cost of the accreditation validation fee.

Sec. 5. [245A.17] [OFFICE OF CHILD CARE PROVIDERS ASSISTANCE.]

Subdivision 1. [CREATION.] An office of child care providers assistance is created within the department of human services.

Subd. 2. [DUTIES; REPORT.] The office shall provide and advertise the existence of a toll-free telephone number that child care service providers may use to contact the office. The commissioner shall, by the toll-free number, give to child care services providers free technical assistance in understanding licensing rules, information concerning the operation of child care services as a business, information on the training of providers, and accept suggestions and criticism concerning licensing, funding, training, or related issues.

The staff of the office shall present an annual report to the legislature on its duties, services, and the complaints received.

Sec. 6. Minnesota Statutes 1987 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, rules, 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 four 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. For the medical assistance and AFDC programs, disallowances 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 the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. 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) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Distribute grants to counties to be used to reduce the backlog in day care licensing applications.

Sec. 7. [RULES.]

The commissioner of human services may adopt emergency rules and shall adopt permanent rules to implement grants to counties under section 256.01, subdivision 2, paragraph (17), to be used to reduce the backlog in day care licensing applications.

Sec. 8. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children;

(2) have household income below ~~the eligibility levels for aid to families with dependent children~~ 125 percent of the federal poverty level or who meet the requirements of paragraph (b), clause (2); or

(3) have household income within a the range established by the commissioner in paragraph (c).

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to the following families must be made available without cost to the families:

(1) families whose incomes are below the threshold of eligibility for aid to families with dependent children 125 percent of the federal poverty level, but that are not receiving aid to families with dependent children; must be made available without cost to the families; and

(2) families headed by a parent under age 21 who is completing requirements for a high school diploma or equivalency degree whose family income is less than 270 percent of the federal poverty level without regard to the income of the parents or siblings of the minor parent.

(c) Child care services to families with incomes in the commissioner's established range between 125 percent and 270 percent of the federal poverty level, except families described in paragraph (b), clause (2), must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

Sec. 9. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 5a. [LOAN PROGRAM FOR CHILD CARE.] (a) A county board may establish a loan program to provide money for child care to a family whose income is above the range established by the commissioner for child care services on a sliding fee basis.

(b) The county board may establish criteria for eligibility for loans under this section and criteria for limiting the amounts of the loans and the period of time a loan may be available. The county board may determine the terms of the loan agreement. The county board that establishes a loan program under this section shall establish a repayment schedule that is based upon the family's income level at the end of the period of time for which the loan was granted.

(c) The county board shall administer the loan program from taxes levied by the county for community social services under section 256E.06, subdivision 5, and other taxes or fees levied by the county.

(d) Money that is repaid to the county for a loan under this section shall be placed in a fund established by the county for the loan program in this section.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 8, is amended to read:

Subd. 8. [CHILD CARE RATES.] The county board may limit the subsidy or loan allowed by setting a maximum on the provider child care rate that the county shall subsidize or finance through loans. The rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate for like care arrangements in that county. In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants, and aides that are more than 110 percent of the county average rate for child care workers.

Sec. 11. Minnesota Statutes 1986, section 268.91, subdivision 10, is amended to read:

Subd. 10. [EXTENSION OF EMPLOYMENT OPPORTUNITIES.] The county board shall insure that child care services available to county residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care services. The county board shall ensure that a person who receives child care services on a sliding fee basis is informed of the availability of a loan for child care services under section 9 after the person's eligibility for the sliding fee services ends.

Sec. 12. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 12, is amended to read:

Subd. 12. [FAIR HEARING PROCESS.] (a) Applicants and recipients have the option to request the county to conduct a conciliation conference to attempt to resolve complaints arising from any of the following actions:

- (1) a determination of ineligibility for child care assistance;
- (2) unauthorized termination of child care assistance;
- (3) determination of the factors considered in setting the family fee; and
- (4) income redetermination resulting in change of a family fee; and
- (5) denial of an application for a loan under section 9 or termination of a loan agreement under section 9.

(b) The county shall notify the applicant or the recipient, in writing, of any adverse action. The determination described in paragraph (a), clauses (1) and (3), must include written notice of the applicant's or recipient's right to the election described in paragraph (c), where and how to request the election, the time limit within which to make the request, and the reasons for the determination. Notice of the proposed actions described in paragraph (a), clauses (2) and (4), must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county proposes to take, the effective date of the proposed action, the reasons for the proposed action, the necessary corrective measures, the option to request either a conciliation conference or an administrative hearing, where and how to make the request, the time limits within which a request must be made, and the consequence of the action.

(c) An applicant or recipient who receives a determination or notice of proposed action under paragraph (b) must mail or deliver either a written notice of request for a conciliation conference to the administering agency or a written notice of request for the hearing specified under paragraph (e) to the administering agency on or before the effective date of the proposed action or the date specified in the notice, or the action will be final.

(d) The county shall provide a conciliation conference within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the conference date. The applicant or recipient and the county's representative have the right to appear, to bring witnesses, and to submit documentation. The written request and the resolution, if any, of the conference shall be maintained as part of the official record. The county's representative shall issue a written resolution only if mutual agreement is reached between the county's representative and the applicant or recipient. The resolution must be signed by both parties and issued the same day as the conciliation conference is held. Participating in a conciliation conference or

signing a resolution does not constitute a waiver of the right to an administrative hearing.

An applicant or recipient may, within 15 calendar days of the conference, mail or deliver a written request to the administering agency for an administrative hearing. Unless an appeal is requested, a determination, proposed action, or resolution of a conciliation conference will be final after the 15-day period has passed.

(e) A fair hearing shall be conducted in the manner prescribed by section 268.10, subdivision 3. A right to review will be provided in accordance with section 268.10, subdivision 5. The proposed action will not take effect until the appeal is decided by the administrative hearing process.

Sec. 13. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 13. [RULES.] The commissioner of human services may adopt emergency rules and shall adopt permanent rules to implement the sliding fee scale program in subdivision 4.

Sec. 14. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 22. [CONTINUING EDUCATION FOR DAY CARE PROVIDERS.] A credit may be taken against the tax due under this chapter equal to 25 percent of the cost incurred by a taxpayer for tuition and required fees, books, and supplies for a course of study to improve skills as a day care operator. The credit provided in this subdivision is available to an employee of a child day care or residential facility that is licensed under chapter 245A or to an owner or operator of a facility who pays for courses taken by persons employed at the facility. The credit is available for classes in subject areas approved by the commissioner of human services in agency rules. To be certified, a course must provide information or training that is directly related to knowledge and skills necessary to provide day care services.

Sec. 15. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [EMPLOYERS' DAY CARE FACILITIES.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for qualified employer day care facility costs during the first taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and ten percent in the fifth year. For purposes of this subdivision, "qualified

employer day care facility costs" means the following expenditures made in connection with an employer-provided day care facility:

(1) the cost of construction, renovation, or remodeling of the facility;

(2) the cost of furniture, equipment, materials, and supplies used to provide day care services at the facility; and

(3) amounts expended for salaries paid and benefits provided to employees whose primary function is providing day care services at the facility.

For purposes of this subdivision, "employer-provided day care facility" means a child day care facility that:

(1) is licensed under chapter 245A;

(2) is located either at the site of the employer's business operation or within two miles of that site; and

(3) is owned by the employer or receives over 75 percent of its annual gross revenues as payments from the employer. A taxpayer may take the credit provided under this subdivision for no more than five taxable years.

Sec. 16. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [EMPLOYER'S DAY CARE SUBSIDY.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for direct subsidy of individual employees' costs for day care at a home or facility licensed under chapter 245A during the taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and ten percent in the fifth year. A taxpayer may take a credit under this subdivision for no more than five taxable years.

Sec. 17. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [DAY CARE CENTER MATERIALS AND EQUIPMENT.] (a) The gross receipts from the sale or use of all materials and supplies or equipment used or consumed in constructing or incorporated into the construction of a child day care facility licensed under chapter 245A, are exempt, as are other educational facilities. In the case of a day care facility that is located in a private residence, the exemption shall apply to materials, supplies, and equipment purchased for construction of improvements to the resi-

dence that are required to meet the state day care facility licensing standards and are used exclusively for the purpose of providing day care services.

(b) The gross receipts from the sale or use of all materials or supplies used or consumed in the process of providing child day care services licensed under chapter 245A are exempt.

Sec. 18. [STUDY OF FUNDING SOURCES.]

The commissioner of human services, in conjunction with the council on children, youth, and families, shall study the existing public and private funding sources for child care services licensed under chapter 245A including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents.

The study shall determine if:

(1) individual funding sources meet existing needs and at what level each source is funded;

(2) the need for subsidized child care services for low-income parents is being met;

(3) present funding mechanisms are efficient or can be made more efficient;

(4) there are alternative or better ways to encourage private funding for child care services;

(5) the funding level has an impact on availability of day care facilities; and

(6) day care reimbursement rates are meeting actual costs for quality child care.

The commissioner shall report the results of the study, together with any proposed legislation to implement study recommendations, to the legislature by January 1, 1989.

Sec. 19. [APPROPRIATIONS; EFFECT ON REVENUE AND COLLECTIONS.]

Subdivision 1. [APPROPRIATIONS.] (a) \$100,000 is appropriated from the general fund to the commissioner of human services to provide grants to counties under sections 6 and 7 to reduce the

backlog of day care licensing applications, to be available until June 30, 1989.

(b) \$716,551 is appropriated from the general fund to the commissioner of human services for the child care sliding fee program established in Minnesota Statutes, section 268.91, to be available until June 30, 1989.

(c) \$112,500 is appropriated from the general fund to the commissioner of human services for the office of child care providers assistance established in section 5, to be available until June 30, 1989. The staff complement of the department of human services is increased by three full-time equivalent positions.

Subd. 2. [EFFECT ON REVENUE AND COLLECTIONS.] (a) \$17,500 is the projected annual reduction in the amounts collected through licensing fees under Minnesota Statutes, chapter 245A, the human services licensing act, as a result of section 4.

(b) \$344,509 is the annual decrease in income tax revenues that is projected to result from the day care continuing education tax credit established in section 14.

(c) The income tax credits established in section 15, for employer-operated day care facilities, and section 16, for employee day care subsidies, are not projected to result in a decrease in income tax revenues.

(d) \$308,940 is the annual decrease in sales tax revenues that is projected to result from the exemptions established in section 17 for day care materials, supplies, and equipment.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 18 are effective August 1, 1988. Sections 4, 5, 6, 7, 13, and 19 are effective July 1, 1988. Section 8 is effective January 1, 1989. Sections 14, 15, 16, and 17 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; authorizing county boards to establish loan programs for child care; requiring a study of day care funding sources; requiring a privately operated child care center in capitol complex; exempting construction materials and

equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 268.91, subdivision 10, and by adding subdivisions; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 245A.04, subdivision 4; 245A.09, by adding a subdivision; 256.01, subdivision 2; and 268.91, subdivisions 4, 8, and 12; proposing coding for new law in Minnesota Statutes, chapter 245A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1658, A bill for an act relating to marriage dissolution; providing for shared care of minor children; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.003, subdivision 3; 518.005, subdivision 2; 518.03; 518.10; 518.131, subdivisions 1, 2, 3, 6, and 7; 518.155; 518.156; 518.165, subdivisions 1 and 2; 518.166; 518.167, subdivisions 1 and 2; 518.168; 518.17, subdivisions 1, 3, and by adding a subdivision; 518.171, subdivision 6; 518.175; 518.176; 518.177; 518.18; 518.185; 518.55, subdivision 1, and by adding a subdivision; 518.551, subdivisions 5 and 6; 518.552, subdivisions 1, 2, and by adding a subdivision; 518.612; 518.619, subdivisions 1, 3, and 4; 518.62; 518.63; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1986, sections 518.17, subdivisions 2 and 6; and 518.552, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the

marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4000.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent
Insurance Coverage

- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include the income of the obligor's spouse.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, debts to a unit of government, including tax liabilities, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children; and

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent, or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the either party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing

goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further ~~departure below the guidelines decrease in child support~~ that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.

Sec. 2. Minnesota Statutes 1986, section 518.552, is amended to read:

518.552 [MAINTENANCE.]

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the duration of the marriage and the standard of living established during the marriage, especially, but not limited to, a period of training or education, or

(b) is unable to provide adequate self-support, after considering the duration of the marriage and the standard of living established during the marriage and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or

circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Subd. 2. The maintenance order shall be in amounts and for periods of time, either temporary or permanent, as the court deems just, without regard to marital misconduct, and after considering all relevant factors, including the following:

(a) the financial resources of the party seeking maintenance, including marital property apportioned to the party, and the party's ability to meet needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) the time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the party's age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) the standard of living established during the marriage;

(d) the duration of the marriage and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

(e) the loss of earnings, seniority, retirement benefits, and other employment opportunities forgone by the spouse seeking spousal maintenance;

(f) the age, and the physical and emotional condition of the spouse seeking maintenance;

(g) the ability of the spouse from whom maintenance is sought to meet needs while meeting those of the spouse seeking maintenance; and

(h) the contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business; and

(i) in the case of awards for temporary maintenance only, the affirmative obligation of the party seeking maintenance to seek employment, consistent with the recipient's abilities, unless precluded by age or physical or emotional incapacity.

Subd. 3. Nothing in this section shall be construed to favor a

temporary award of maintenance over a permanent award, where the factors under subdivision 2 justify a permanent award.

Where there is some uncertainty as to the necessity of a permanent award, the court shall order a permanent award leaving its order open for later modification.

Sec. 3. Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order upon a showing that any failure to pay in accord with the terms of the original order was for reasons beyond the obligor's control. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

Sections 1 and 2 are effective August 1, 1988. Section 3 is effective on the date a waiver is obtained under United States Code, title 42, section 666(a) or on the date it is determined that such a waiver is not necessary, whichever is earlier. The commissioner of human services shall request a waiver promptly after enactment of sections 1 to 3."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.551, subdivision 5; 518.552; Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1674, A bill for an act relating to education; allowing school districts to require chemical dependency assessments of suspended pupils as a part of a readmission plan; amending Minnesota Statutes 1986, section 127.30, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 13, after "dependency" insert "by a community-based professional skilled in chemical dependency assessment and treatment"

Page 1, line 15, after the period insert "The professional must inform the school district that contact has occurred between the suspended student and the professional if required by the readmission plan, but the professional must keep completely confidential any information related to any assessment or treatment provided to the suspended student."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1701, A bill for an act relating to family law; making surrogate mother agreements void and unenforceable; prohibiting advertisements for surrogate mothers; prohibiting the arranging of surrogate mother agreements; proposing coding for new law in Minnesota Statutes, chapters 257 and 259.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [257.50] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] As used in sections 1 to 4, the following terms have the meanings given in this section.

Subd. 2. [SURROGATE MOTHER AGREEMENT.] "Surrogate mother agreement" is an agreement, contract, or arrangement whereby a woman consents to be naturally or artificially inseminated with the sperm of a man who is not her husband and voluntarily terminate her parental rights to any child conceived and born as a result of the insemination, leaving the father as the child's only legal parent.

Subd. 3. [SURROGATE MOTHER.] "Surrogate mother" is a woman who is a party to a surrogate mother agreement.

Subd. 4. [FATHER.] "Father" is a man whose sperm is used under a surrogate mother agreement to attempt to impregnate a woman who is not his wife.

Subd. 5. [COMPENSATION.] "Compensation" is any payment except payment or reimbursement of the actual medical expenses incurred in connection with prenatal care or childbirth for a surrogate mother.

Sec. 2. [257.501] [AGREEMENT VOID.]

A surrogate mother agreement is void and unenforceable as contrary to the public policy of this state. If a child is born to a woman who has attempted to enter a surrogate mother agreement, any matters relating to determination of the child's parentage, custody, visitation, or support shall be governed by sections 257.51 to 257.74.

Sec. 3. [257.502] [ADVERTISING PROHIBITED; INJUNCTION.]

It is unlawful for any person in this state to post, issue, or circulate in this state, or cause any publisher or broadcaster to publish, post, issue, circulate, or broadcast in this state, an advertisement seeking a woman to act as a surrogate mother for compensation in this state. It is unlawful for any nonresident individual or foreign corporation to post, issue, or circulate in this state or cause any publisher or broadcaster to publish, post, issue, circulate, or broadcast in this state an advertisement seeking a woman to act as a surrogate mother for compensation, unless the advertisement contains notice that surrogate mother agreements are void in this state. The attorney general or county attorney shall seek an injunction against the person who causes a publisher or broadcaster or an employee of a publisher or broadcaster to publish, post, issue, circulate, or broadcast any advertisement that is unlawful under

this section. The attorney general or county attorney may receive court costs and attorney fees.

Sec. 4. [257.503] [ARRANGING AGREEMENT PROHIBITED.]

It is unlawful for a person, other than a father, the father's wife, or a surrogate mother, knowingly to induce, arrange, or procure the formation of a surrogate mother agreement. Whoever violates this section shall pay a civil penalty in an amount not greater than \$10,000. The attorney general or county attorney shall bring a civil action in district court to enforce this section and may receive court costs and attorney fees.

Sec. 5. [259.251] [COMPENSATION FOR RELINQUISHING CHILD; PENALTY.]

Subdivision 1. [RECEIVING FEE.] A parent who knowingly receives compensation for:

- (1) consenting to the adoption of the parent's child;
- (2) authorizing the placement of the parent's child for adoption; or
- (3) voluntarily terminating parental rights to a child

is guilty of a gross misdemeanor.

Subd. 2. [PAYING A FEE.] Whoever knowingly pays a parent compensation for:

- (1) consenting to the adoption of the parent's child;
- (2) authorizing the placement of the parent's child for adoption; or
- (3) voluntarily terminating parental rights to a child

is guilty of a gross misdemeanor.

Subd. 3. [COMPENSATION DEFINED.] For the purposes of this section, "compensation" means any payment except payment or reimbursement of the actual medical expenses incurred in connection with prenatal care or childbirth for a surrogate mother.

Subd. 4. [SURROGATE MOTHER AGREEMENT DEFINED.] For purposes of this section, "surrogate mother agreement" is an agreement, contract, or arrangement whereby a woman consents to be naturally or artificially inseminated with the sperm of a man who is not her husband and voluntarily terminate her parental rights to

any child conceived and born as a result of the insemination, leaving the father as the child's only legal parent."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1702, A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, line 20, delete "blood" and delete "0.02" and insert "0.03"

Page 2, line 35, delete line 35 and insert:

"Subd. 4. [PAYMENT FOR INSTALLATION.] If a court or the commissioner orders the"

Page 2, line 36, before "shall" insert ", the court or commissioner"

Page 3, line 2, delete "may" and insert "or the commissioner must"

Page 3, line 18, after the period insert: "These guidelines shall include, but need not be limited to, requirements that the devices (1) meet the accuracy requirements of the department, (2) do not impede the safe operation of the vehicle, (3) resist tampering and give evidence if tampering is attempted, and (4) operate reliably over the range of automobile environments. The department may, consistent with its guidelines, adopt in whole or relevant part the guidelines, rules, studies, or independent laboratory tests adopted or relied on by other states or other state agencies for the certification or approval of ignition interlock devices."

Page 3, line 21, delete everything after the period

Page 3, delete lines 22 and 23

Page 3, line 24, delete everything before "The"

Page 5, after line 4, insert:

"Sec. 2. [STUDY REQUIRED.]

The department of public safety shall monitor and study the use of ignition interlock devices in other states, and report to the legislature by January 1, 1989, with its findings.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1989."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1736, A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 160.292, subdivision 2, is amended to read:

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than 1½ feet by six feet displaying the name of a rural agricultural business, motel, restaurant, resort, or recreational camping area business name and, where appropriate, the direction to and distance to the rural agricultural business, camping area, motel, restaurant, or resort.

Sec. 2. Minnesota Statutes 1986, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means restaurants and rural agricultural businesses, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the ~~recreational traveler~~ traveling public.

Sec. 3. Minnesota Statutes 1986, section 160.293, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] Specific service signs are to be used to create and implement a system of signing for the purpose of displaying ~~motel, restaurant, resort and recreational camping area~~ specific service information to the traveling public on nonfreeway type trunk highways in rural areas.

Sec. 4. Minnesota Statutes 1986, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a rural agricultural business, restaurant, motel, resort or recreational camping area is limited to one intersection on the trunk highway system.

Sec. 5. Minnesota Statutes 1986, section 160.295, is amended by adding a subdivision to read:

Subd. 5. [RURAL AGRICULTURAL BUSINESS.] A rural agricultural business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, seasonal activities may qualify if they are open eight hours per day and six days per week during the normal seasonal period.

Delete the title and insert:

“A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1745, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; permitting the county to make a negotiated land sale.

Reported the same back with the following amendments:

Page 3, after line 25, insert:

“Sec. 3. Minnesota Statutes 1986, section 383A.281, subdivision 13, is amended to read:

Subd. 13. [COUNTY PERSONNEL SYSTEM.] "County personnel system" means all employees in the departments or agencies of county government or joint city and county agencies which receive their funding in whole or in part from the county board, including employees of:

- (a) elected officials;
- (b) ~~the Saint Paul Ramsey medical center commission~~; and
- (c) (b) the court administrator of district court; but not including:
 - (1) district and municipal court judges;
 - (2) court reporters, law clerks, referees employed by the district and municipal courts, employees of the municipal court, and the second judicial district administrator's office;
 - (3) court commissioners;
 - (4) the public defender;
 - (5) employees of the examiner of titles, agricultural extension service, humane society, historical society, and soil and water conservation district; and
 - (6) other employees not subject to a county personnel system because of state law.

Sec. 4. Minnesota Statutes 1986, section 383A.286, subdivision 2, is amended to read:

Subd. 2. [UNCLASSIFIED POSITIONS.] The following positions shall be in the unclassified service:

- (a) positions held by elected officials or persons appointed to fill an elected office;
- (b) one assistant for each elected official;
- (c) the director or principal administrative officer of a department of county government or agency created by law, except that the affirmative action officer, personnel director, internal auditor, and director of budgeting and accounting shall be positions in the classified service;
- (d) doctors, residents, and student nurses employed by the county or county agency;

(e) members of a board or commission appointed by the county, or the county and the city, and acting in an advisory capacity;

(f) ~~weed~~ inspectors, election judges, or election clerks;

(g) special police officers or special deputy sheriffs serving without pay;

(h) judges, court administrators, court reporters, receivers, referees, the examiner or assistant examiners of titles, public defenders, arbiters, jurors, court administrator of district court, or persons appointed by the district court to make or conduct a special inquiry of a judicial or temporary character;

(i) all positions in the municipal court of Ramsey county and the second judicial district administrator's office;

(j) the executive director and eight principal assistants;

(k) the chief executive officer of the medical center and seven principal assistants;

(l) interns, student workers, law clerks, or other employees employed for a limited duration as determined by the county board;

~~(m)~~ (l) positions designated by the county board as unclassified pursuant to subdivision 3;

~~(n)~~ (m) the sheriff, the sheriff's chief deputy, three principal assistants, and a personal secretary; and

~~(o)~~ (n) the county attorney, the county attorney's first assistant, one principal assistant, and a personal secretary.

Sec. 5. Minnesota Statutes 1987 Supplement, section 383A.554, is amended to read:

383A.554 [POWERS AND DUTIES.]

Before December 31, ~~1988~~ 1989, the charter commission shall deliver to the board of county commissioners either (1) its report determining that the present form of county government is adequate for the county and that a charter is not necessary or desirable, or (2) a draft of a proposed charter. The report must be signed by a majority of the members of the charter commission. The proposed charter may provide for any form of government consistent with the constitution of the state of Minnesota. It may provide for the establishment and administration of all departments of a county government and for the regulation of all local county functions. It may abolish or consolidate any department or agency. The charter commission is

required to hold at least one public hearing in each of the county commissioner districts.

It shall provide for present functions to be assumed by new elective or appointive officers as shall be provided for in the charter and may provide for other powers consistent with other law. It shall provide methods of procedure in respect to the operation of the government created and the duties of all officers. It shall provide for a home rule charter commission consistent with article XII, section 5, of the constitution of the state of Minnesota and may provide for alternative methods for amending or abandoning the charter consistent with the constitution. The county may be authorized to acquire by gift, devise, purchase, or condemnation or sell or lease any property needed for the full discharge of its duties and powers. All special and general laws authorizing the county to incur indebtedness or issue bonds shall be subject to the charter, provided that the charter provisions are not in conflict with general laws relating to public indebtedness. The county shall continue to have all the powers granted by law.

Personnel matters relating to Ramsey county employees shall continue to be governed by Minnesota Statutes, sections 383A.281 to 383A.301 and Minnesota Statutes, sections 197.455 to 197.48. A charter proposed for adoption under sections 383A.551 to 383A.556 shall not apply to personnel matters."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, before the period insert "; removing references to personnel from the county personnel law; extending the time for the charter study commission; amending Minnesota Statutes 1986, sections 383A.281, subdivision 13; and 383A.286, subdivision 2; Minnesota Statutes 1987 Supplement, section 383A.554"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1780, A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [326.83] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [FIRE PROTECTION SYSTEM CONTRACTOR.] “Fire protection system contractor” means a person who contracts to sell, design, install, modify, alter, repair, maintain, or examine a fire protection system or its parts or related equipment.

Subd. 3. [FIRE PROTECTION SYSTEM.] “Fire protection system” means a sprinkler or standpipe and hose system for fire protection purposes only that is composed of an integrated system of underground and overhead piping. “Fire protection system” does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. Nothing in this subdivision is intended to conflict with the Minnesota state building code or the Minnesota uniform fire code.

Subd. 4. [JOURNEYMAN SPRINKLER FITTER.] “Journeyman sprinkler fitter” means a person who is certified as competent to engage in installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection system contractor.

Subd. 5. [APPRENTICE SPRINKLER FITTER.] “Apprentice sprinkler fitter” means a person, other than a fire protection system contractor or journeyman sprinkler fitter, who is regularly engaged in the industry learning the business under the direct supervision of a fire protection system contractor or journeyman sprinkler fitter and whose duties are those of a helper only to the fire protection system contractor or journeyman sprinkler fitter. Apprentices must be registered with the department of labor and industry division of apprenticeship in accordance with chapter 178.

Subd. 6. [PERSON.] “Person” includes an individual, partnership, joint venture, association, corporation, or otherwise organized business entity, or combination of them.

Subd. 7. [DEPARTMENT.] “Department” means the department of labor and industry.

Subd. 8. [COMMISSIONER.] “Commissioner” means the commissioner of labor and industry.

Sec. 2. [326.84] [LICENSE REQUIRED.]

Subdivision 1. [IN GENERAL.] A person may not sell, design, install, modify, alter, repair, maintain, or make a maintenance inspection on a fire protection system, or offer to do so unless licensed to perform these duties or except as a registered professional engineer acting solely in a professional capacity. No license is required for modification, alteration, repair, maintenance, or maintenance inspection of an existing installation in a nonresidential facility, if the work is done by an employee of the owner of the facility. Except as provided in this section, if a license is required under sections 1 to 13, no person offering fire protection services may do any of the following unless the person is a licensed fire protection system contractor:

(1) advertise as a fire protection system contractor, fire sprinkler contractor, or sprinkler fitter;

(2) add the person's name to, or in connection with, the title "fire protection system contractor," "fire sprinkler contractor," or "sprinkler fitter"; or

(3) add the person's name to any other words that tend to represent the person as a fire protection system contractor, fire sprinkler contractor, or sprinkler fitter.

A person who advertises as a fire protection system contractor must include in the advertisement the number of the person's license as a fire protection system contractor.

A vehicle used to conduct a fire protection system business must have prominently displayed on its exterior the company name and license number of the fire protection system contractor performing fire protection services.

Subd. 2. [EXCEPTION.] However, plumbers licensed under section 326.40 may contract to sell, design, install, modify, alter, demolish, repair, maintain, or examine a standpipe and hose system not in connection with parts of an automatic sprinkler system.

Subd. 3. [FIRE PROTECTION SYSTEM CONTRACTOR.] (a) The fire protection system contractor is responsible for the preparation of detailed fire protection drawings for installation in accordance with the applicable fire protection engineering standards published by the National Fire Protection Association, Inc., and applicable statutes and rules of the state of Minnesota and its political subdivisions.

(b) A fire protection system contractor may be required by a municipality to pay fees normally imposed for local permits and to

submit plans for review under section 11. However, a political subdivision of the state may not impose requirements to prove qualifications other than the production of a license valid under sections 1 to 13.

(c) No person may engage in or work at the business of a fire protection system contractor or journeyman sprinkler fitter unless licensed to do so by the commissioner. Sections 1 to 13 do not apply to a person solely selling or supplying products or materials to a licensed fire protection system contractor.

Subd. 4. [SPRINKLER FITTER.] A person may not undertake the prescribed activities of a sprinkler fitter under this chapter without having a valid license in possession.

Subd. 5. [INSPECTOR'S CREDIT.] An employee performing the duties of inspector for the department in regulating fire sprinkler systems may not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 3. [326.85] [RULES.]

The commissioner may adopt emergency rules for permit, filing, and inspection fees; for the qualifications, examination, and licensing of fire protection system contractors, journeyman sprinkler fitters, and registered apprentices; and for enforcement of sections 1 to 13.

Sec. 4. [326.86] [EXCEPTION TO EXAMINATION.]

Persons who submit satisfactory proof to the commissioner that they have been actively engaged in fire protection systems installation either as fire protection system contractors or journeyman sprinkler fitters for a period of five years prior to the effective date of this section, and who apply for licenses within 60 days after the effective date of this section, must be granted the appropriate license upon payment of the required annual license fee.

Sec. 5. [326.87] [LICENSE DISPLAY; RENEWAL; DUPLICATE.]

Subdivision 1. [IN GENERAL.] Licenses are valid for one year and expire December 31 of each year regardless of the month issued.

Subd. 2. [RENEWAL.] A license that has not been suspended or revoked must be renewed for an additional year from its expiration on application for renewal on a form prescribed by the commissioner and payment of the fee prescribed.

Subd. 3. [DUPLICATE.] A duplicate license must be issued to replace a lost, destroyed, or mutilated license on application on a

form prescribed by the commissioner and payment of the fee prescribed. A duplicate license must have the word "duplicate" stamped on its face and must bear the same number as that on the license replaced.

Subd. 4. [CONTRACTOR'S LICENSE POSTED; DISPLAYED.] A license issued under sections 1 to 13 must be posted in a conspicuous place in the fire protection system contractor's place of business.

Bids, proposals, and offers and preliminary, conceptual, shop, and field installation drawings must bear the contractor's license number in a prominent display.

Subd. 5. [SPRINKLER FITTER'S LICENSE IN POSSESSION; SIGNATURE WITH NUMBER.] Sprinkler fitters must carry their licenses when they are engaged in activities of their profession. A sprinkler fitter must present the license on request to the authority having jurisdiction. The sprinkler fitter must affix the license number to those certificates that require the sprinkler fitter's signature.

Sec. 6. [326.88] [FEES.]

The fees for licenses under this chapter for the fire protection system contractor, sprinkler fitter, and registration of apprentice may be set by the commissioner under section 3.

Sec. 7. [326.89] [FINANCIAL RESPONSIBILITY.]

Subdivision 1. [BOND.] The commissioner shall require an applicant who is a fire protection system contractor to put up a surety bond in an amount of at least \$20,000 by a surety company authorized to do business in Minnesota as a surety.

Subd. 2. [INSURANCE.] Before a license as a fire protection system contractor is issued, the applicant must get and maintain in force at all times a full-term, comprehensive, general liability insurance policy from an insurance company authorized to do business in Minnesota. The policy must have an aggregate limit of at least \$500,000 for fire protection work. Evidence of insurance must be filed with the department.

Sec. 8. [326.90] [ACTION ON APPLICATION.]

Subdivision 1. [DEPARTMENT DETERMINATION.] Within 120 days after an applicant has filed a complete application for a license and paid the required fees, the commissioner shall:

(1) conduct the testing required under this chapter;

(2) conduct an investigation of the applicant, limited to the applicant's eligibility; and

(3) either issue a license to the applicant, or notify the applicant in writing by registered mail of the decision not to grant the license and the reasons for the denial.

Subd. 2. [NOTICE OF HEARING.] When an application is denied, the commissioner shall specifically notify the applicant that the applicant has a right to a hearing conducted under section 10.

Sec. 9. [326.91] [REVOCATION; SUSPENSION; RENEWAL.]

Subdivision 1. [CAUSES FOR REVOCATION OR SUSPENSION.] The commissioner shall revoke a license, suspend the right of the licensee to use a license, or refuse to renew a license issued under this chapter, for any of the following causes:

(1) fraud, bad faith, misrepresentation, or bribery, either in securing a license or in conducting business under a license;

(2) making a false statement about a material matter in an application for a license; or

(3) failing to maintain the requirements of the license.

Subd. 2. [TERM OF REVOCATION OR SUSPENSION.] A license must not be suspended for longer than two years. A person whose license is revoked is eligible to apply for a license only after the expiration of two years.

Sec. 10. [326.92] [HEARING.]

If the commissioner decides not to grant or renew a license, it must give adequate notice and, if requested, provide a hearing. Notice of the hearing must be given in writing, by registered or certified mail with a return receipt requested, at least 15 days before the hearing.

Sec. 11. [326.93] [PERMIT; FILING; AND INSPECTION FEES.]

Subdivision 1. [REQUIRED PERMIT.] No person may construct or install fire protection systems without first filing an application for a permit with the department or a municipality that has complied with subdivision 2. Projects under construction prior to the effective date of sections 1 to 13 are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] A municipality may, by ordinance, require the inspection of fire protection system materials and construction and that they may not be

constructed or installed except in accordance with state standards. The authority designated by the ordinance for issuing fire protection permits and assuring compliance with state standards must report to the department all violations of state fire protection standards. A municipality may not adopt an ordinance with fire protection standards that does not comply with the minimum standards prescribed by the commissioner. The commissioner shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] To defray the cost of administering sections 1 to 13, there is imposed on all municipalities except municipalities that have a letter of agreement with the commissioner to perform inspections, a surcharge on the filing fees, inspection fees, and permits issued after the effective date of sections 1 to 13 in connection with the construction or installation of fire protection systems. The surcharge must be two percent of the fees collected, but may not be less than \$10 or greater than \$2,000. The surcharge may be amended under chapter 14 and section 16A.128.

Subd. 4. [COLLECTION AND REPORTS.] Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the department a report of fees and surcharges collected during the previous quarter. All other municipalities must submit reports and surcharges on a semiannual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due no later than the 15th day following the close of the period for which surcharges are being reported.

Subd. 5. [REPORTING OF PERMITS ISSUED.] Each municipality must submit to the department a copy of each permit issued within ten days after issuance. All permits must be issued on forms prescribed by or approved by the commissioner.

Subd. 6. [FILING AND INSPECTION FEES.] The commissioner must charge a filing fee set under section 3 for all applications for permits to construct or install fire protection systems. The fee for inspection of fire protection system construction or installation must also be set by the commissioner under section 3. This subdivision does not apply if a permit is issued by a municipality complying with subdivision 2.

Subd. 7. [CONTRACT INSPECTION.] The commissioner may contract with any other government agency for inspection of fire protection systems.

Sec. 12. [326.94] [DEPOSIT OF FEES.]

Fees received by the commissioner under sections 1 to 13 must be deposited by the department to the credit of the special revenue fund

in the state treasury. The salaries and per diem of the inspectors and examiners, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 1 to 13 must be paid from the appropriations made to the department.

Sec. 13. [326.95] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license application, request for inspection, certificate, or other lawfully authorized or required form or statement provided by sections 1 to 13;

(2) to perform fire protection system work without a proper permit and license for that work unless the work is exempt from permitting and licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to political subdivisions under section 11, subdivision 2.

Sec. 14. Minnesota Statutes 1986, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint ~~an~~ a ~~14~~ 15 member advisory council on code enforcement. The terms, compensation, and removal of council members is governed by section 15.059. The council shall not expire as provided by section 15.059. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1989."

Amend the title as follows:

Page 1, line 2, delete "creating the state advisory"

Page 1, delete line 3

Page 1, line 5, after "penalty;" insert "amending Minnesota Statutes 1986, section 175.008;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 6, line 6, after "vehicle" insert ", following inspection and"

Page 6, line 14, delete "covered by" and insert "for repairs made under"

Pages 8 and 9, delete sections 7 and 8

Page 10, line 8, delete "and 8"

Page 10, line 9, delete "Section 7 is effective January 1, 1991." and delete "9" and insert "7"

Page 10, line 10, delete "10" and insert "8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, delete "requiring"

Page 1, delete lines 8 to 11

Page 1, line 12, delete "fuel to the legislature;" and delete "amending"

Page 1, delete line 13

Page 1, line 14, delete "subdivision;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1810, A bill for an act relating to human services; establishing grants for community initiatives for children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

"(4) demonstrate that the organization is using and coordinating existing resources of the community;

(5) demonstrate that the organization has applied to private foundations for funding;"

Renumber the remaining clauses in sequence

Page 2, delete lines 23 to 30 and insert:

"Subd. 5. [GRANT AWARD.] The commissioner shall award one demonstration grant under this section, to a project in the seven-county metropolitan area. The amount of the grant may not exceed the lesser of \$ or 50 percent of capital costs incurred within a two-year period."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1848, A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community, including a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed. The person preparing the report shall make reasonable efforts to include this description of the neighborhood impact of the defendant's offense in every presentence investigation report concerning a felony violation of chapter 152 involving the sale or distribution of a controlled substance and may include it in any other presentence investigation report.

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date.

Amend the title as follows:

Page 1, line 5, delete "1986" and insert "1987 Supplement"

Page 1, line 6, delete everything after the comma, and insert "subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1860, A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding subdivisions.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1873, A bill for an act relating to crimes; police pursuit; increasing the penalty for fleeing a peace officer; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 609.487, subdivision 3; 609.531, subdivisions 2, 4, and 6; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 171.13, is amended by adding a subdivision to read:

Subd. 1c. [DRIVER'S MANUAL; FLEEING A PEACE OFFICER.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to the criminal sanctions and forfeiture provisions applicable to persons who flee a peace officer in a motor vehicle.

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) “Conveyance device” means a device used for transportation in connection with a designated offense and includes, but is not limited to, a motor vehicles vehicle, trailers trailer, snowmobiles snowmo-

bile, ~~airplanes~~ airplane, and ~~vessels~~ vessel. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means ~~weapons~~ a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, the Minnesota state patrol, a state conservation officer, a county ~~sheriffs~~ sheriff and ~~their~~ the sheriff's deputies, or a city police departments department, or a township law enforcement agency.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter; and

(2) For all other purposes: a felony or gross misdemeanor violation of, or an attempt or conspiracy to violate section 609.487; or a felony violation of, or an a felony level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; ~~609.487~~; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 3. [626.5531] [PURSUIT OF FLEEING SUSPECTS BY PEACE OFFICERS.]

Subdivision 1. [REPORTS.] If a peace officer pursues a fleeing suspect, the officer's department head must file a notice of the incident with the commissioner of public safety within 30 days following the pursuit. A pursuit must be reported under this section if it is a pursuit by a peace officer of a motor vehicle being operated in violation of section 609.487. The notice must contain information concerning the reason for and circumstances surrounding the pursuit, including the alleged offense, the length of the pursuit in distance and time, the outcome of the pursuit, any charges filed against the suspect as a result of the pursuit, injuries and property damage resulting from the pursuit, and other information deemed relevant by the commissioner.

Subd. 2. [LOCAL GOVERNMENTS TO ADOPT PROCEDURES AND TRAINING REQUIREMENTS.] Each political subdivision and state law enforcement agency that employs persons licensed by the peace officer standards and training board under section 626.845 must establish written procedures to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The procedures must state how peace officers will provide assistance to a person injured during the course of a pursuit. A political subdivision or agency that does not establish procedures and requirements by October 1, 1989, is subject to licensing sanctions of the peace officer standards and training board.

Sec. 4. Minnesota Statutes 1986, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g);

(k) The establishment, and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984; **and**

(l) The establishment and use by any political subdivision and state law enforcement agency that employs persons licensed by the

board of procedures under section 3 to govern the conduct of licensees who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of licensees in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; and

(m) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 5. Minnesota Statutes 1986, section 626.845, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES.] The board shall have the following powers and duties:

(a) To certify peace officers' training schools or programs administered by state, county and municipalities located within this state in whole or in part no later than 90 days after receipt of an application for certification. The reasons for noncertification of any school or program or part thereof shall be transmitted to the school within 90 days and shall contain a detailed explanation of the reasons for which the school or program was disapproved and an explanation of what supporting material or other requirements are necessary for the board to reconsider. Disapproval of a school or program shall not preclude the reapplication for certification of the school or program;

(b) To issue certificates to schools, and to revoke such certification when necessary to maintain the objectives and purposes of sections 626.841 to 626.855;

(c) To certify, as qualified, instructors at peace officer training schools, and to issue appropriate certificates to such instructors;

(d) To license peace officers who have satisfactorily completed certified basic training programs, and passed examinations as required by the board;

(e) To cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;

(f) To consult and cooperate with state, county, and municipal peace officer training schools for the development of in-service training programs for peace officers;

(g) To consult and cooperate with universities, colleges, and area vocational technical institutes for the development of specialized courses of instruction and study in the state for peace officers and part-time peace officers in police science and police administration;

(h) To consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer standards and training;

(i) To perform such other acts as may be necessary and appropriate to carry out the powers and duties as set forth in the provisions of sections 626.841 to 626.855;

(j) To coordinate the provision, on a regional basis, of skills oriented basic training courses to graduates of certified law enforcement training schools or programs;

(k) To obtain criminal conviction data for persons seeking a license to be issued or possessing a license issued by the board. The board shall have authority to obtain criminal conviction data to the full extent that any other law enforcement agency, as that term is defined by state or federal law, has to obtain the data;

(l) To prepare and transmit annually to the governor and the legislature a report of its activities with respect to allocation of moneys appropriated to it for peace officers training, including the name and address of each recipient of money for that purpose, the amount awarded, and the purpose of the award; ~~and~~

(m) To assist and cooperate with any political subdivision or state law enforcement agency which employs persons licensed by the board to establish written procedures for the investigation and resolution of allegations of misconduct of persons licensed by the board, and to enforce licensing sanctions for failure to implement such procedures; and

(n) To assist and cooperate with political subdivisions and state law enforcement agencies that employ persons licensed by the board in establishing written procedures to govern the conduct of peace officers who are in pursuit of a vehicle in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The board must impose licensing sanctions for failure to establish pursuit procedures and training requirements by October 1, 1989.

Sec. 6. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1988, and applies to violations occurring on or after that date. Sections 1, 3, 4, and 5 are effective August 1, 1988."

Delete the title and insert:

"A bill for an act relating to crimes; police pursuit; providing for forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1880, A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [346.56] [DOGS AND CATS IN MOTOR VEHICLES.]

Subdivision 1. [UNATTENDED DOGS OR CATS.] A person may not leave a dog or a cat unattended in a standing or parked motor vehicle in a manner that endangers the dog's or cat's health or safety.

Subd. 2. [REMOVAL OF DOGS OR CATS.] A peace officer, as defined in section 626.84, a humane agent, a dog warden, or a volunteer or professional member of a fire or rescue department of a political subdivision may use reasonable force to enter a motor vehicle and remove a dog or cat which has been left in the vehicle in violation of subdivision 1. A person removing a dog or a cat under this subdivision shall use reasonable means to contact the owner of the dog or cat to arrange for its return home. If the person is unable to contact the owner, the person may take the dog or cat to an animal shelter.

Subd. 3. [PETTY MISDEMEANOR.] A person who violates subdivision 1 is guilty of a petty misdemeanor."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "prohibiting"

Page 1, line 6, after the semicolon insert "providing a penalty;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1893, A bill for an act relating to youth education and employment; providing planning grants for the design of youth employment programs; appropriating money.

Reported the same back with the following amendments:

Page 3, line 13, after "established" insert "under section 15.059"

Page 3, line 16, after the period insert "Members of the committee shall be reimbursed for expenses but shall not receive any other compensation for service on the committee."

Page 4, line 8, delete "literary" and insert "literacy"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1897, A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota

Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivision 1; 60C.13, subdivision 2; and 60C.15; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1986, section 60C.18.

Reported the same back with the following amendments:

Page 1, lines 21 to 23, delete the new language

Page 2, line 4, strike "or"

Page 2, line 7, before the period insert "; or

(c) A person whose principal place of business is in Wisconsin, Iowa, North Dakota, and South Dakota, but who maintains substantial business in Minnesota"

Page 3, after line 16 insert:

"Sec. 6. Minnesota Statutes 1986, section 60C.05, subdivision 2, is amended to read:

Subd. 2. The association may:

(a) Employ or retain the persons necessary to handle claims and perform other duties of the association.

(b) Borrow funds necessary to effect the purposes of Laws 1971, chapter 145 in accord with the plan of operation.

(c) Sue or be sued.

(d) Negotiate and become a party to the contracts necessary to carry out the purpose of Laws 1971, chapter 145.

(e) Perform other acts necessary or proper to effectuate the purpose of Laws 1971, chapter 145.

(f) Subject to section 7, refund to the member insurers in proportion to the contribution of each member insurer to that account the amount by which the assets of the account exceed the liabilities, if at the end of the calendar year the board of directors finds that the assets of the association in any account exceed the liabilities of that account as estimated by the board of directors for the coming year.

(g) Request the court to disapprove or modify any claim for which approval is sought under the provisions of section 60B.45, subdivision 2 or 60B.58, subdivision 2.

Sec. 7. Minnesota Statutes 1986, section 60C.06, is amended by adding a subdivision to read:

Subd. 6. [REFUNDS RETAINED.] All money which the association receives from the estate of an insolvent insurer or an insurer that is the subject of delinquency proceedings shall not be refunded to members but must be credited to the account from which the claims were paid that resulted in the payment from the estate. If that cannot be determined, the money shall be credited to the account which the board determines is most likely to have been the source of the paid claims. The money shall be used to pay future claims."

Page 5, delete lines 4 and 5

Page 5, line 6, delete "liquidation of the insurer is filed;"

Page 5, line 7, delete "3" and insert "2"

Page 7, after line 24, insert:

"Sec. 11. Minnesota Statutes 1986, section 60C.18, is amended to read:

60C.18 [RECOGNITION OF ASSESSMENTS IN RATES.]

Subdivision 1. The rates and premiums charged for insurance policies and fidelity and surety bonds to which this chapter applies ~~may~~ must include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association. The rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

Subd. 2. Beginning with assessments payable by member insurers in 1988, each member insurer must separately state on either a billing notice or policy declaration sent to an insured, the percentage, dollar amount, or both, of the amount contained in the premium to recoup assessments paid by the member insurer in Minnesota."

Page 7, delete section 10

Page 7, before line 32, insert:

"Sec. 13. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5, is repealed."

Page 7, line 33, delete "2" and insert "1"

Page 7, line 36, after "insolvency" insert a period and delete the remainder of the line

Page 8, delete lines 1 to 4

Page 8, line 5, delete "c" and insert "b"

Page 8, line 5, delete "and 10" and insert ", 10, 11, 12, and 13"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, delete the first "subdivision" and insert "subdivisions" and after "1" insert "and 2"

Page 1, line 10, before "60C.13" insert "60C.06, by adding a subdivision;" and delete "and"

Page 1, line 11, after "60C.15;" insert "and 60C.18;"

Page 1, line 12, delete "1986" and insert "1987 Supplement"

Page 1, line 13, delete everything before the period and insert "60C.06, subdivision 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 1925, A bill for an act relating to education; eliminating the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1933, A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 171.06, subdivision 2a are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdivisions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than ~~50~~ 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations."

Page 1, line 10, delete "Section 1" and insert "Sec. 2"

Page 1, line 14, delete "\$9" and insert "\$7.50"

Page 1, line 25, strike "\$4" and insert "\$6"

Amend the title as follows:

Page 1, line 2, after the second semicolon insert "increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others."

Page 1, line 7, after the first comma insert "sections 126.115, subdivision 3; and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1935, A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Page 1, line 23, delete "diagnostic" and insert "screening"

Page 1, line 24, delete "recommended" and insert "ordered or provided" and before the period insert "in accordance with the standard practice of medicine"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1944, A bill for an act relating to veterans; authorizing a tax to defray the cost of a veterans service officer in any county where the officer may be employed; amending Minnesota Statutes 1986, section 197.60, subdivision 4.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1947, A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1986, section 145.853, subdivision 2, is amended to read:

Subd. 2. In seeking to determine whether a disabled person suffers from an illness, a law enforcement officer shall make a reasonable search for an identifying device and an identification card of the type described in section 145.852, subdivision 2 and examine them for emergency information. The law enforcement officer may not search for an identifying device or an identification card in a manner or to an extent that would appear to a reasonable person in the circumstances to cause an unreasonable risk of worsening the disabled person's condition. The law enforcement officer may not remove an identifying device or an identification card from the possession of a disabled person unless the removal is necessary for law enforcement purposes or to protect the safety of the disabled person.

Sec. 2. Minnesota Statutes 1986, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character; or

(3) Engages in offensive, obscene, or abusive language or in boisterous and noisy conduct tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure.”

Page 1, line 8, delete “Section 1” and insert “Sec. 3”

Page 1, line 24, after “law” insert “for less than one year” and after “a” insert “county”

Amend the title as follows:

Page 1, line 3, after “amending” insert “Minnesota Statutes 1986, sections 145.853, subdivision 2; and 609.72, 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.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1951, A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Reported the same back with the following amendments:

Page 1, line 16, delete everything after the period and insert "If a passenger automobile, as defined in subdivision 7, is"

Page 1, line 17, delete "120" and insert "180" and delete everything after the comma

Page 1, line 18, delete "to be" and before the period insert "is deemed, for purposes of registration only, as the registered owner"

Page 6, line 5, delete "\$1" and insert "\$2"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1957, A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Page 2, line 15, delete the second comma and insert "or"

Page 2, line 16, delete ", or the division of marital property"

Page 2, line 21, delete the colon

Page 2, delete line 22

Page 2, line 23, delete "(2)"

Page 2, line 33, after the period insert "The form may require a party to assign a valuation to assets."

Page 2, line 36, after the period insert "The form shall also provide for a party to list all basic living expenses."

Page 3, after line 6, insert:

"Sec. 2. [518.146] [SEALING RECORDS.]

For good cause shown, on application of either party, the records of a marriage dissolution, annulment, or legal separation, except for the portion of the decree granting the dissolution, annulment, or legal separation, may be sealed."

Page 3, line 7, delete "2" and insert "3"

Page 3, line 8, delete "....." and insert "March 1"

Page 3, line 9, delete "... 198." and insert "1989,"

Page 3, line 13, delete "....." and insert "December 31"

Page 3, line 14, delete "198." and insert "1988"

Amend the title as follows:

Page 1, line 7, after " ," insert "permitting the sealing of marriage dissolution records;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1996, A bill for an act relating to consumer protection; regulating cemeteries, mausoleums, and prearranged funeral services; requiring the establishment of a construction fund account; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county audi-

tors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2006, A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases; requiring prosecutors to notify domestic violence victims of a decision to decline prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

Reported the same back with the following amendments:

Page 2, line 5, after the period insert "If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody."

Page 2, line 7, before the period insert "and "reasonable effort" includes but is not limited to the following, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2012, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions

1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate

may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 2. Minnesota Statutes 1986, section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every health maintenance organization enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance or contract~~. The health maintenance organization or its designated representative shall issue the evidence of coverage or contract.

Subd. 2. No evidence of coverage or contract, or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or contract or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following: The statement must be in bold print and captioned "Important Consumer Information and Enrollee Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of health maintenance organization) providers.

(3) REFERRALS: Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not

covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers; and

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from

employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Subd. 5. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. Individual health maintenance organization contracts shall clearly state the existence of the grace period.

Subd. 6 5. Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Subd. 6. The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.

Subd. 7. The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. Individual and group contract holders shall be given 30 days' advance, written notice of any change in subscriber fees or benefits.

Subd. 9. Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 3. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during

the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) A separate report addressing health maintenance contracts sold to individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 4. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report;² (3) the current evidence of coverage or contract; and (4) a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. Health maintenance organizations which issue contracts to persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:

(1) a description of the principal benefits and coverage provided in the contract;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits."

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

(5) a statement that the outline of coverage is a summary of the contract issued or applied for and that the contract should be read to determine governing contractual provisions; and

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must contain identification of the health maintenance organization including the name, address, and telephone number; the telephone

number to call to receive authorization for emergency care; and the telephone number to call if an enrollee has a complaint.

Subd. 6. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request. Health maintenance organizations need not provide the names of their employed providers.

Subd. 7. Any list of providers issued by the health maintenance organization shall include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

"Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients."

Subd. 8. Any written marketing materials, excluding billboards, must state in bold print: "THIS IS ONLY A SUMMARY OF THE (name of health maintenance organization) PROGRAM. YOU MUST READ YOUR CONTRACT FOR A DETAILED EXPLANATION OF BENEFITS, COSTS, EXCLUSIONS, ELIGIBILITY, AND COVERAGE."

Sec. 6. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship **except by reason of an entry of a valid decree of dissolution of marriage between the parties.**

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section~~ sections 62A.146

and 8, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the enrollee to provide continued coverage for those persons. The coverage may shall be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 7. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Enrollees who have individual health maintenance organization contracts and who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization if an agreement with an insurer can reasonably be made, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, or, if such enrollees are covered by Title XVIII of the Social Security Act (Medicare), they shall be given the option of a Medicare supplement plan as provided by sections 62A.31 to 62A.35.

This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

If a health maintenance organization cannot make arrangements for conversion coverage, the health maintenance organization shall notify enrollees of health plans available in other service areas.

Sec. 8. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract, which in addition to covering the enrollee also provides coverage to the spouse and dependent children of the enrollee shall: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected; or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for such coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 9. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for three five years and the commissioner of health shall have access to the records.

Sec. 10. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 7; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 7; (f) failure to make payments required by the health care plan; or (g) other

reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 11, subdivision 1, shall receive 90 days notice as provided under section 11, subdivision 5.

Sec. 11. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage in a service area, the replacement coverage shall be health maintenance organization coverage issued by the health maintenance organization terminating coverage unless the health maintenance organization can demonstrate to the commissioner that offering health maintenance organization replacement coverage would not be feasible. In making the determination, the commissioner shall consider (1) loss ratios and forecasts, (2) lack of agreements between health care providers and the health maintenance organization to offer that product, (3) evidence of anticipated premium needs compared with established rates, (4) the financial impact of the replacement coverage on the overall financial solvency of the plan, and (5) the cost to the enrollee of health maintenance organization replacement coverage as compared to cost to the enrollee of the replacement coverage required under subdivision 3 of this section.

Subd. 3. If replacement coverage is not provided by the health maintenance organization, as explained under subdivision 2, the replacement coverage shall provide, for enrollees covered by Title XVIII of the Social Security Act, coverage at least equivalent to a Medicare supplement two plan as defined in section 62A.34, except that the replacement coverage shall also cover the liability for any Medicare Part A and Part B deductible as defined under Title XVIII of the Social Security Act. After satisfaction of the Medicare Part B deductible, the replacement coverage shall be based on 120 percent of the Medicare Part B eligible expenses less the Medicare Part B payment amount. The fee or premium of the replacement coverage shall not exceed the premium charged by the state comprehensive

health plan as established under section 62E.08, for a qualified Medicare supplement plan. All enrollees not covered by Medicare shall be given the option of a number three qualified plan or a number two qualified plan as defined in section 62E.06, subdivisions 1 and 2, for replacement coverage. The fee or premium for a number three qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number three qualified plan of insurance in force in Minnesota. The fee or premium for a number two qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two qualified plan of insurance in force in Minnesota.

If the replacement coverage is health maintenance organization coverage, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered.

Subd. 4. The commissioner will approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization must provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (e), and 5.

Subd. 6. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance

organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract.

Sec. 12. [62D.122] [MEDIATION.]

Where the existing parties to a health maintenance organization agreement are unable to come to terms on the renewal or maintenance of an agreement and the failure to reach agreement will significantly impair access to health care for existing enrollees, the commissioner of health, the health maintenance organization, or the provider may request mediation services through the state bureau of mediation services to resolve the issues of dispute. Participation in mediation shall be required of all parties for a period of 30 days. Mediation is intended to resolve the issues of dispute to prevent a loss of coverage to enrollees. Other than requiring participation of all parties, mediation is intended to be nonbinding.

Sec. 13. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to ~~remedy the defect in its operations which gave rise to the penalty citation, or have file a written request~~ request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 14. Minnesota Statutes 1986, section 62D.17, is amended by adding a subdivision to read:

Subd. 6. [FULL PAYMENT REQUIRED; INTEREST ON UNPAID CHARGES.] A health maintenance organization shall provide payment consistent with contractual requirements to any participating pharmacy for services rendered as part of a contract with the organization. Clean claims, as defined in Code of Federal Regulations, title 42, section 447.45(d) must be paid within 30 days of

acceptance of the claim or be subject to interest charged at the rate established by the commissioner of revenue under section 270.75.

Sec. 15. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 16. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 11, subdivision 3; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivision 1, paragraph (e), and section 20. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has termi-

nated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 17. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 11, subdivision 3, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivision 1, paragraph (e), and section 20, will be liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions will be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 18. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; ~~and~~

(e) If the applicant has been terminated from individual health

coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 11, subdivision 3, was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(f) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 19. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application except as provided under subdivisions 4 and 5, and section 20.

Sec. 20. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 11, subdivision 3, was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the

enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 17.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 21. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to

coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 22. [COMMISSION ON HEALTH PLAN REGULATORY REFORM.]

The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Sec. 23. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 12 is repealed January 1, 1989.

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "allowing for mediation of disputes about health maintenance organization agreements; allowing interest on unpaid charges;"

Page 1, lines 10 and 11, delete ", and by adding a subdivision"

Page 1, line 11, after "1" insert ", and by adding a subdivision" and after the second semicolon insert "62D.20;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2021, A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivision 5, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1986, section 13.82, is amended by adding a subdivision to read:

Subd. 5a. [CHILD ABUSE INVESTIGATIVE DATA.] (a) “Child abuse investigative data” means data collected and maintained by county sheriffs and police departments in their investigation of reports of child abuse received pursuant to section 626.556.

(b) Child abuse investigative data is classified as confidential until an arrest is made or a criminal charge is filed against an alleged perpetrator of child abuse. At the time an arrest is made, the data listed in subdivisions 2, 3, and 4 of this section, which is part of a child abuse investigative file, is public data, except that any data which identifies the victim of abuse is private data on individuals and data which identifies the child abuse reporter is confidential. Child abuse investigative data may be made available to the local child protective agency pursuant to Minnesota Statutes, section 626.556, subdivision 10a. Child abuse investigative data shall retain its data classification while in the possession of a local child protection agency.

(c) A child abuse investigation becomes inactive upon the occurrence of any of the events specified in subdivision 5. With the exception of data which identifies the victim of abuse, which shall be private, data which identifies the child abuse reporter, which shall be confidential, and data which the county sheriff or police department received from a child protection agency under section 626.556, subdivision 10, which shall be private, all other inactive child abuse investigative data is public.”

Page 1, after line 17, insert:

“Sec. 3. Minnesota Statutes 1986, section 626.556, subdivision 10d, is amended to read:

Subd. 10d. [NOTIFICATION OF NEGLECT OR ABUSE MAL-TREATMENT IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse maltreatment of a child while in the care of a facility required to be licensed pursuant to sections 245.781 to 245.812, the commissioner or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused maltreated: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse maltreatment of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse maltreatment; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse maltreatment has occurred. In determining whether to exercise this authority, the commissioner or local welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse maltreatment; the number of children allegedly neglected, physically abused, or sexually abused maltreated; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner or local welfare agency has completed its investigation, every parent, guardian, or legal custodian notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse maltreatment; the investigator's name; a summary of the investigation findings; a statement whether the report maltreatment was found to be substantiated, inconclusive, or false; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if the report maltreatment is substantiated. ~~The commissioner or local welfare agency may also provide the written memorandum to the parent, guardian, or legal custodian of any other child in the facility if the investigation is inconclusive. The facility shall be notified whenever this discretionary authority is exercised.~~

Page 2, line 14, delete "persistent" and insert "sustained"

Page 3, line 1, delete "11a" and insert "11b"

Page 3, line 3, delete "subject's" and insert "alleged perpetrator's"

Page 3, lines 12 to 15, reinstate the stricken language

Page 5, line 5, after "maintained" insert "or records derived from reports of abuse" and after "agencies" insert ", county sheriffs or police departments,"

Page 5, line 9, delete "either" and insert "credible information indicating"

Page 5, line 11, delete "subject" and insert "individual alleged to have maltreated a child"

Page 5, line 13, delete "and upon the subject's request," and insert "that individual may request that" and delete "shall"

Page 5, line 14, after "destroyed" insert "after two years"

Page 5, after line 26, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 626.556, subdivision 13, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 13.82, by adding a subdivision; and" and delete "subdivision 5," and insert "subdivisions 5, 10d,"

Page 1, line 8, before the period insert "; repealing Minnesota Statutes 1986, section 626.556, subdivision 13"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2024, A bill for an act relating to transportation; excluding certain publically owned transit buses from certain definitions of school bus; amending Minnesota Statutes 1986, sections 169.01, subdivision 6; and 171.01, subdivision 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DULUTH TRANSIT BUSES ARE NOT SCHOOL BUSES.]

Notwithstanding Minnesota Statutes, sections 169.01, subdivision 6, and 171.01, subdivision 21, or other law to the contrary, the Duluth Transit Authority may transport children to or from a

school, or to or from school-related activities within the city of Duluth, on fixed routes and schedules or under an agreement with independent school district No. 709, in a publicly owned transit bus and when the authority does so, the bus is not a school bus.

Sec. 2. [DUTY OF CARE.]

The duty of care owed to pupils who are passengers by the Duluth Transit Authority while it is operating under section 1 is the same duty of care that is owed by an operator of a school bus as defined in Minnesota Statutes, sections 169.01, subdivision 6, and 171.01, subdivision 21.

Sec. 3. [REPEALER.]

Sections 1 and 2 are repealed August 1, 1990."

Amend the title as follows:

Page 1, line 3, delete "publically" and insert "publicly" and after "buses" insert "in Duluth"

Page 1, line 4, delete everything after "bus" and insert "; imposing a duty of care."

Page 1, delete lines 5 and 6

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2054, A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivisions 2, 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.074; 363.091; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.03, subdivision 1; 363.06, subdivision 1; and 363.071, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 363.01, is amended by adding a subdivision to read:

Subd. 40. [MARITAL STATUS.] "Marital status" means whether a person is single, married, divorced, widowed, separated, or other like status, and in employment cases includes protection against discrimination on the basis of identity, situation, actions, or beliefs of one's spouse or former spouse.

Sec. 2. Minnesota Statutes 1986, section 363.02, subdivision 2a, is amended to read:

Subd. 2a. [MANUFACTURED HOME PARKS.] The provisions of subdivision 2, prohibiting discrimination because of familial status:

(1) do not apply to a manufactured home park the majority of whose lots are reserved by park rule to households containing at least one elderly person; and

(2) do not apply to a section or sections of a manufactured home park which are identified by park rule and do not comprise more than one-third of the lots in the park. In order to qualify for exemption under this subdivision does not allow, a park owner to avoid complying must comply with section 327C.02, subdivision 2, 327C.05 or 327C.07, subdivision 4 when adopting or amending a rule concerning the permitted familial status of residents or of buyers of homes offered for in park sale.

Sec. 3. Minnesota Statutes 1986, section 363.02, is amended by adding a subdivision to read:

Subd. 2b. [EVICITION DUE TO FAMILIAL STATUS.] The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status, do not apply to eviction from, or denial of continuing tenancy in, dwelling units exempt through certification under this section, provided that (1) one year has elapsed from the commencement of the familial status; and (2) six months prior written notice has been given to the tenant, unless the eviction or denial of continuing tenancy is for just cause unrelated to familial status.

Sec. 4. Minnesota Statutes 1986, section 363.03, subdivision 2, is amended to read:

Subd. 2. [REAL PROPERTY.] It is an unfair discriminatory practice:

(1) For an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(a) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(c) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(2) For a real estate broker, real estate salesperson, or employee, or agent thereof:

(a) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, condi-

tions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(c) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(3) For a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(a) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith; or

(b) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination; or

(c) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

(4) For any real estate broker or real estate salesperson, for the

purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, marital status, status with regard to public assistance, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) Notwithstanding the provisions of any law, ordinance, or home rule charter to the contrary, no person shall be deemed to have committed an unfair discriminatory practice based upon age if the unfair discriminatory practice alleged is attempted or accomplished for the purpose of obtaining or maintaining one of the exemptions provided for a dwelling unit provided for in section 363.02, subdivision 2.

(6) Notwithstanding any law, ordinance, or home rule charter to the contrary, a totally or partially blind or deaf person with a guide dog is entitled to full and equal access to real property provided for in this section. The person may not be required to pay extra compensation for the guide dog but is liable for damage done to the premises by the guide dog.

Sec. 5. Minnesota Statutes 1987 Supplement, section 363.06, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS.] Any person aggrieved by a violation of this chapter may bring a civil action as provided in section 363.14, subdivision 1, clause (a), or may file a verified charge with the commissioner or the commissioner's designated agent. A charge filed with the commissioner must be in writing on a form provided by the commissioner and signed by the charging party. The charge must state the name of the person alleged to have committed an unfair discriminatory practice, and set out a summary of the details of the practice complained of. The commissioner may require a charging party to provide the address of the person alleged to have committed the unfair discriminatory practice, names of witnesses, documents, and any other information necessary to process the charge. The commissioner may dismiss a charge when the charging party fails to provide required information. The commissioner within ten days of the filing shall serve a copy of the charge and a form for use in responding to the charge upon the respondent personally or by mail. The respondent shall file with the department a written response to the charge within 20 days of receipt of the charge. If the respondent fails to respond within 30 days after service of the charge, and service was consistent with rule 4 of the

rules of civil procedure, the commissioner, on behalf of the complaining party, may bring an action for default in district court pursuant to rule 55.01 of the rules of civil procedure.

Sec. 6. Minnesota Statutes 1986, section 363.06, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim of an unfair discriminatory practice must be brought as a civil action pursuant to section 363.14, subdivision 1, clause (a), filed in a charge with a local commission pursuant to section 363.116, or filed in a charge with the commissioner within 300 days one year after the occurrence of the practice. The running of the 300 day one-year limitation period is suspended during the time a potential charging party and respondent are voluntarily engaged in a dispute resolution process involving a claim of unlawful discrimination under chapter 363, including arbitration, conciliation, mediation or grievance procedures pursuant to a collective bargaining agreement or statutory, charter, or ordinance provisions for a civil service or other employment system. A potential respondent who participates in such a process with a potential charging party before a charge is filed or a civil action is brought shall notify the department and the charging party in writing of the participation in the process and the date the process commenced, and shall also notify the department and the charging party of the ending date of the process. A respondent who fails to provide this notification is barred from raising the defense that the statute of limitations has run unless the 300 days one year plus a period of time equal to the suspension period has passed.

Sec. 7. Minnesota Statutes 1986, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall receive, enter into, or accept any bid or proposal for a contract or nor execute any contract for goods or services, or the performance of any function, or any agreement to transfer funds for any reason in excess of \$50,000 with any business person having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the firm or business person has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business person has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years.

Sec. 8. Minnesota Statutes 1986, section 363.073, subdivision 3, is amended to read:

Subd. 3. [REVOCAION OF CONTRACT.] A contract awarded by a department or agency of the state may be terminated or abridged

by the department or agency because of suspension or revocation of a certificate based upon a contractor's failure to implement or make a good faith effort to implement an affirmative action plan approved by the commissioner under this section. If a contract is awarded to a person who does not have a contract compliance certificate required under subdivision 1, the commissioner may void the contract on behalf of the state.

Sec. 9. Minnesota Statutes 1986, section 363.074, is amended to read:

363.074 [RULES FOR CERTIFICATES OF COMPLIANCE.]

The commissioner shall adopt rules to implement section 363.073 specifying the criteria used to review affirmative action plans and the standards used to review implementation of affirmative action plans. A firm or business certified to be in compliance with affirmative action requirements of a local human rights agency or the federal government shall may be deemed to be in compliance with section 363.073 upon submission to the commissioner of an affirmative action plan approved by a local human rights agency or the federal government and amendments to the plan which are necessary to address the employment of disabled persons protected by section 363.03, subdivision 1.

Sec. 10. Minnesota Statutes 1986, section 363.091, is amended to read:

363.091 [ENFORCEMENT.]

When a respondent fails or refuses to comply with a final decision of the department, the commissioner may file with the court administrator of district court in the judicial district in which the hearing was held a petition requesting the court to order the respondent to comply with the order of the department. Thereupon the court shall issue an order to show cause directed to the respondent why an order directing compliance should not be issued. ~~Notwithstanding the provisions of any law or rule of civil procedure to the contrary, the court shall examine at the hearing on the order to show cause all the evidence in the record and may amend the order of the department in any way the court deems just and equitable.~~ If the panel or examiner has ordered an award of damages pursuant to section 363.071 and if the court sustains or modifies the award, it the court shall enter judgment on the order or modified order in the same manner as in the case of an order of the district court, as provided in section 546.27.

Sec. 11. Minnesota Statutes 1986, section 363.121, is amended to read:

363.121 [DEPARTMENT ATTORNEY.]

The attorney general shall be the attorney for the department. When a matter has been referred to the attorney general by the commissioner subsequent to a finding of probable cause or for the purpose of interim relief, communications between members of the attorney general's office and charging parties or members of a class formed pursuant to section 363.06, subdivision 4, clause (6), are privileged as would be a communication between an attorney and a client.

Sec. 12. Minnesota Statutes 1986, section 363.14, subdivision 1, is amended to read:

Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] (a) The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(a) Directly to district court; or

(b) Notwithstanding the provisions of any law to the contrary,

(1) within 45 days after the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within 45 days after the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the probable cause determination; or

(3) after 45 days from the filing of a charge pursuant to section 363.06, subdivision 1 if a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice;

(b) If the commissioner has issued both probable cause and no probable cause determinations on separate issues in the same charge, the charging party may, if a hearing is held, require that all matters be heard at the hearing or may bring a civil action for the no probable cause charges at the same time as the probable cause

charges under the rules and time frames that govern the probable cause charges.

(c) The commissioner may dismiss, without prejudice to the charging party, any case filed with the department on or before June 30, 1978. The commissioner shall notify a charging party by regular mail sent before August 1, 1981, of the right to bring a civil action pursuant to this section. Upon giving this notice the commissioner shall end all proceedings in the department relating to the charge. Notwithstanding any statutory period of limitation to the contrary, an individual notified pursuant to this clause may bring a civil action relating to the charge; provided that the action is filed on or before February 1, 1982.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstated with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

(d) Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

(e) Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 13. Minnesota Statutes 1986, section 363.14, subdivision 3, is amended to read:

Subd. 3. [ATTORNEY'S FEES AND COSTS.] In any action or proceeding brought pursuant to this section the court, in its discretion, may allow the prevailing party, ~~other than the department,~~ a reasonable attorney's fee as part of the costs.

Sec. 14. [363.15] [NOTICE OF APPEAL TO THE COMMISSIONER.]

In any case that is appealed to the supreme court or the court of appeals in which an issue is raised under this chapter, the party raising the issue shall serve a copy of the notice of appeal on the commissioner. The clerk of the appellate courts may not accept a notice of appeal or other papers, documents, or briefs from any party

in an action involving this chapter without proof of service of the papers, documents, or briefs upon the commissioner.

Amend the title as follows:

Page 1, line 7, delete "subdivisions 2," and insert "subdivision"

Page 1, line 10, after the first semicolon, insert "363.121;"

Page 1, line 11, delete "sections 363.03, subdivision" and insert "section"

Page 1, line 12, delete the first "1," and delete "and 363.071, subdivision 2" and before the period insert "proposing coding for new law in Minnesota Statutes, chapter 363"

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2069, A bill for an act relating to environment; establishing a comprehensive solid waste reduction and recycling program through county programs, a waste reduction initiative fee on containers, a recycling deposit on beverage packages, and public education; appropriating money; proposing coding for new law in chapter 115A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115A.93] [CITATION.]

Sections 1 to 13 may be cited as the comprehensive waste reduction and recycling act.

Sec. 2. [115A.931] [PURPOSES.]

The purposes of sections 1 to 13 are to:

(1) provide an opportunity for each individual to recycle waste materials;

(2) reduce the amount of waste generated and disposed in the state;

(3) increase the rate of recycling of waste materials;

(4) develop markets for recycled materials; and

(5) inform the public of recycling opportunities.

Sec. 3. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [BEVERAGE.] "Beverage" means a soft drink, soda water, carbonated natural or mineral water, or other nonalcoholic carbonated drink; beer, ale, or other malt drink or a mixed wine or mixed spirit drink.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [CONSUMER.] "Consumer" means a person who buys a filled nonrefillable beverage container from a retailer.

Subd. 5. [COUNCIL.] "Council" means the metropolitan council established in section 473.123.

Subd. 6. [DISTRIBUTOR.] "Distributor" means any person engaged in business who ships or transports products to retailers in this state to be sold by those retailers;

A distributor who also sells at retail must maintain a separate inventory substantiated with invoices for products that were acquired for retail sale and that are subject to the fee in section 7, subdivision 1.

Subd. 7. [LOCAL RECYCLING CENTER.] "Local recycling center" means a licensed establishment which accepts for recycling at least beverage containers, food packaging glass, and two other nonbeverage recyclable materials.

Subd. 8. [PLASTIC CAN.] "Plastic can" means a beverage container that is composed of one or more plastics and metal, exclusive of the closure.

Subd. 9. [RECYCLED MATERIALS.] "Recycled materials" means any material otherwise destined for the mixed municipal solid waste stream that is collected, separated, or processed and returned to markets in the form of raw material, feedstock, or end product.

Subd. 10. [RETAILER.] "Retailer" means any person, partnership, firm, corporation, or association, foreign or domestic, selling any

commodity, article, goods, wares, or merchandise to the consumer and not for the purpose of resale in any form.

Subd. 11. [YARD WASTE.] "Yard waste" means the garden wastes, leaves, lawn cuttings, weeds, and prunings generated at residential and commercial properties.

Sec. 4. [115A.933] [OPPORTUNITY TO RECYCLE.]

By January 1, 1990, each county shall provide its citizens an opportunity to recycle. "Opportunity to recycle" means at least:

(1) A local recycling center in every county and additional places for collecting recyclable material, at sites necessary for the convenience of the populations being served.

(2) A public education and promotion program that at least quarterly notifies each person of the opportunity to recycle and encourages source separation of residential, commercial, industrial, and institutional recyclable material.

In addition, each county shall ensure, in cities with a population of 5,000 or more persons, the opportunity to recycle a minimum of three kinds of recyclable materials through use of curbside pickup or centralized dropoff or use of a local recycling center.

By January 1, 1990, in cities of the first class and cities with 5,000 or over population in the metropolitan area and by January 1, 1992, in cities of the second class, each county shall ensure that the opportunity to recycle also includes at least monthly curbside pickup of at least three recyclable materials.

Sec. 5. [115A.934] [LOCAL RECYCLING CENTER.]

Subdivision 1. [APPLICATION.] Any person may file with the local county board an application for a license to operate a local recycling center. The application must state the name and address of the owner and operator of the center, the types of recyclable materials the center intends to accept, the hours open for operation, and the area the center wishes to serve. The license must be renewed annually. A county may designate cities as the licensing authority.

Subd. 2. [APPROVAL.] (a) The county or its designee may approve an application for a license to operate a local recycling center if it finds that the proposed center will provide a convenient service for collection of at least beverage containers, food packaging glass, and two other nonbeverage recyclable materials.

(b) The license to operate a local recycling center must state the

types of recyclable materials the center must accept, the hours open for operation, and the area the center and any associated curbside program is licensed to serve. The operator of a center shall prominently display on the center's premises the types of recyclable materials accepted and the hours open for operation.

(c) The county or its designee may review at any time any license to operate a local recycling center. After written notice to the owner and operator of the center, the county or its designee may, after a public hearing, revoke the license of the center if it finds lack of compliance with the license or if it finds the local recycling center no longer provides a convenient service to the public.

(d) When a county does not undertake licensing of local recycling centers, the agency shall accept applications and issue permits subject to the requirements of this section.

Sec. 6. [115A.935] [RECYCLING INITIATIVES FUND.]

Subdivision 1. [CREATION.] The recycling initiatives fund is established as a separate account in the state treasury. The fund consists of the waste reduction initiative fees established in section 7, penalties assessed under section 11, and interest earned on fund assets.

Subd. 2. [SPENDING; PURPOSES.] Money in the fund may be spent for:

(1) technical and financial assistance to counties, cities, and private businesses for creation of recycling systems, creation and licensing of local recycling centers; for modification of recycling systems to local recycling centers;

(2) county compliance with section 4;

(3) recycling and waste reduction projects including public education, planning, and technical assistance;

(4) market development for recyclable materials separated by generators, including public education, planning, and technical assistance;

(5) capital assistance for establishing private and public intermediate processing facilities for recyclable materials and facilities using recyclable materials in new products;

(6) public education directly related to the purposes of sections 1 to 13;

(7) reimbursement to the general fund for any appropriation made for the purpose of section 10; and

(8) costs of the department of revenue, the agency, the board, and the council in implementing and administering sections 1 to 13.

Subd. 3. [APPROPRIATION.] After fiscal year 1989, 20 percent of the money in the fund on July 1 of each year is appropriated annually to the board. The board shall distribute the money to nonmetropolitan counties and to the metropolitan council for assistance to counties to develop recycling systems. Up to 25 percent of the 20 percent of the money appropriated may be used for project grants for special recycling projects including multicounty, innovative, or especially large projects. The rest of the 20 percent of the money must be distributed based on a formula established by the board that guarantees an equal share for each county plus an allocation based on county population.

Sec. 7. [115A.936] [FEE; CONTAINER DESIGN.]

Subdivision 1. [WASTE REDUCTION INITIATIVE FEE.] (a) Each distributor, who is not the ultimate consumer of a product and who either sells packages used by a retailer to package products or sells packaged products intended for retail sale shall pay the department of revenue a one cent waste reduction initiative fee for each package or packaged product based on the product's smallest unit division intended for sale at the retail level. The fee must be paid according to the requirements of section 8.

(b) For the purpose of this section, "package" includes but is not limited to a bag, barrel, basket, bottle, box, can, carton, carrying case, crate, cup, cylinder, drum, flexible film, glass, jar, jug, pail, pot, rigid foil container, sack, tray, tub, tube, tumbler, vessel, wrapper, or wrap.

(c) Packages exempt from the fee are limited to those:

(1) that are recyclable and that are made of at least 50 percent by weight recycled materials;

(2) intended for use in a manufacturing process;

(3) used to package drugs and medicines as defined in section 151.01;

(4) used to package food or food products exempt from sales tax under section 297A.25, subdivision 2; or

(5) that require a refundable container deposit of at least four cents.

(d) A manufacturer or distributor must apply to the agency for exemption from the fee for specific packages based on the criteria listed in paragraph (c), clause (1). The agency may require applicants to provide information it considers necessary for the determination of specific exemptions. A person who receives an exemption shall notify the agency if the package material is altered. Exemption from the fee is retroactive to the date of filing of the application with the agency.

Subd. 2. [CONTAINER; PACKAGE DESIGN.] Packages exempt from the waste reduction initiative fee under subdivision 1, paragraph (c), clause (1), may carry the recycling emblem approved by the agency.

Sec. 8. [115A.937] [REPORTS; PAYMENT OF FEES.]

Subdivision 1. [REPORTS.] Each distributor required to pay the waste reduction initiative fee in section 7, subdivision 1, shall file with the commissioner a quarterly and annual report on a form prescribed by the commissioner specifying the number of packaging products for use by a retailer to package products, the number of packaged products, and specific numbers of packaging products and packaged products by category that are not subject to the fee in section 7, subdivision 1, that were sold by the distributor during the reporting period.

The quarterly reports are due on or before the 15th day following the end of the calendar quarter, and the annual reports must accompany the reports for the fourth calendar quarter and are due on or before January 15 following the end of the calendar year.

Subd. 2. [RECORDS.] The commissioner may by rule require any person subject to subdivision 1 to keep books, papers, documents, and records as the commissioner determines necessary for the enforcement of sections 1 to 13. The commissioner may examine, or have examined, any books, papers, records, or other documents relevant to making a determination, whether they are in the possession of a reporter or another person or corporation. The commissioner may require the attendance of any persons having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to a determination, and to administer oaths or affirmations.

Subd. 3. [INFORMATION CONFIDENTIAL.] Neither the commissioner nor any other public official or employee may divulge or otherwise make known in any manner any particulars disclosed in any report required by this section, or any information concerning the affairs of the person making the report acquired from its records, officers, or employees while examining or auditing under the authority of sections 1 to 13 except in connection with a proceeding

Involving waste reduction initiative fees due under sections 1 to 13. Nothing in this section prohibits the commissioner from publishing statistics classified in a manner that does not disclose the identity of particular records or reports and their contents. Notwithstanding the provisions of this subdivision, the commissioner may provide the agency with information necessary for implementation and administration of sections 1 to 13.

Subd. 4. [TIME FOR PAYMENT; REFUND.] Waste reduction initiative fees incurred during a calendar quarter must be paid to the commissioner on or before the 15th day following the end of the quarter. The payment due for the fourth calendar quarter must be adjusted to reflect any underpayment or overpayment that is shown on the annual report. Any overpayment of waste initiative fees due to retroactive exemption granted by the agency must be credited against future fees due unless the person who overpaid has no future liability to pay fees in which case the overpayment must be refunded from the fund.

Subd. 5. [ENFORCEMENT.] The penalty, interest, and enforcement provisions under chapters 297A and 270 apply to the reports and amounts due the commissioner under this section.

Sec. 9. [115A.938] [PROHIBITIONS.]

Subdivision 1. [PLASTIC; PVC.] No person may sell, offer for sale, or give to consumers in this state any beverage packaged in a plastic can or any product packaged in material of which any part is polyvinyl chloride.

Subd. 2. [NONDEGRADABLE PLASTIC.] No person may sell, offer for sale, or give to consumers in this state beverage containers held together by nondegradable plastic material.

Subd. 3. [LANDFILL PROHIBITION.] Recyclable materials collected according to the requirements of section 4 may not be placed in any land disposal facility except as authorized by the agency.

Subd. 4. [YARD WASTE; LAND DISPOSAL PROHIBITED.] A person may not dispose of yard waste in mixed municipal solid waste or in a land disposal or resource recovery facility after January 1, 1992, or after January 1, 1990, in the metropolitan area, except as authorized by the agency.

Sec. 10. [115A.939] [AGENCY AND BOARD AUTHORITY; DUTIES; REPORTS.]

Subdivision 1. [PUBLIC EDUCATION.] The board may prepare, publish, and issue printed or educational materials necessary for the dissemination of information to the public for effective implemen-

tation of sections 1 to 13. The agency may prepare, publish, and issue materials necessary for the dissemination of information to the regulated community for effective implementation of sections 1 to 13.

Subd. 2. [INFORMATION GATHERING.] The agency may require any business or local government unit subject to the provisions of sections 1 to 13 to provide information necessary for the preparation of any reports required by this section.

Subd. 3. [SOLID WASTE COMPOSITION STUDY.] By December 31, 1989, the agency shall complete a mixed municipal solid waste composition study.

Subd. 4. [MINIMUM RECYCLING LEVELS.] By June 30, 1990, the agency, in consultation with the board and the council, shall by rule establish minimum recycling levels for at least paper, glass, aluminum, steel, and plastics for commercial, residential, institutional, and industrial classifications of solid waste generators. Separate levels may be established for the metropolitan and non-metropolitan areas of the state. If the minimum levels are not met in any classification on or after June 30, 1994, the agency shall require solid waste separation and recycling within that classification.

Subd. 5. [BIENNIAL REPORT.] The agency, board, and council shall collect data necessary to determine the effect of sections 1 to 13 and shall each prepare a report to the legislative commission on waste management to be completed by November 1, 1990, and biennially after that date. Each report must detail each agency's implementation of sections 1 to 13, the impact of those sections on industry and the public, and recommendations for future appropriations from the fund.

Sec. 11. [115A.9391] [PENALTIES.]

Subdivision 1. [CIVIL PENALTY.] In addition to any other penalty imposed by law, a person who violates any provision of section 7, 8, or 9, subdivision 1 or 2, shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$1,000 per day of violation. The civil penalty may be recovered by a civil action brought by the attorney general in the name of the state.

Subd. 2. [INJUNCTIONS.] The attorney general may bring an action to enjoin any violation of sections 1 to 13 or an action to compel performance under sections 1 to 13.

Subd. 3. [COSTS; FEES.] In any action under subdivision 1 or 2, the attorney general may also recover costs and attorney fees.

Sec. 12. [RULES.]

The agency, board, council, and commissioner may adopt emergency and permanent rules to implement sections 1 to 13.

The cost of any rules must be reimbursed to the agency, board, council, or commissioner from the fund created by section 6.

Sec. 13. [115A.9392] [PLASTIC CONTAINER LABELING.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following definitions have the meanings given them.

(a) "Labeling" means attaching information to or embossing or printing information on a plastic container.

(b) "Material recovery" means the reuse, recycling, reclamation, composting, or other recovery of useful materials from solid waste, with or without treatment.

(c) "Plastic container" means an individual, separate, rigid plastic bottle, can, jar, or carton.

(d) "Reclamation" means the treatment of solid waste and its return to productive use in a form or for a use that is different from its original form or use.

(e) "Reuse" means the return of solid waste to productive use without treatment and without changing its form or use.

Subd. 2. [LABELING RULES REQUIRED.] The board shall adopt rules establishing labeling requirements for plastic containers. The requirements shall be designed to provide information needed by operators of material recovery programs to facilitate the recycling, reclamation, or reuse of plastic containers. The rules adopted under this subdivision must permit a manufacturer of plastic containers, a person who places products in plastic containers, and a person who sells products in plastic containers to choose an appropriate method of labeling plastic containers. The board shall develop rules as consistent as practicable with national industry-wide plastic container coding systems. The rules shall exempt from the labeling requirements plastic containers that are readily identifiable because of their appearance and plastic containers for which there is no technological capability for recycling, reclamation, or reuse or for which recycling, reclamation, or reuse is not economically feasible. The rules may exempt from the labeling requirements plastic containers of a capacity of less than a specified minimum size. In determining the types of plastic containers to exempt from the labeling requirements, the board shall consult with the agency.

Subd. 3. [PROHIBITION.] On and after January 1, 1990, no person may sell or offer for sale in this state a plastic container or a product in a plastic container that does not comply with the labeling requirements under subdivision 2.

Subd. 4. [PENALTY.] Any person who violates subdivision 3 is subject to a civil penalty of up to \$500 for each violation. Each day of violation constitutes a separate offense.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [AGENCY.] The following amounts are appropriated from the general fund to the pollution control agency to be available until June 30, 1990:

- (1) for public education under section 10, subdivision 1 \$
- (2) for the cost of the studies and reports required by section 10, subdivisions 2 to 5 \$
- (3) for administrative costs to implement sections 1 to 13 \$

The complement of the agency is increased by ... positions.

Subd. 2. [BOARD.] The following amounts are appropriated from the general fund to the waste management board to be available until June 30, 1990:

- (1) for technical and financial assistance to counties, cities, and businesses under section 6, subdivision 2, clause (1) \$
- (2) for county compliance with section 4 \$
- (3) for recycling and waste reduction projects under section 6, subdivision 2, clause (3) \$
- (4) for market development for recyclable materials under section 6, subdivision 2, clause (4) \$
- (5) for capital assistance for public and private recycling processing facilities \$

(6) for public education under section 10, subdivision 1 \$

(7) for the cost of preparation of reports required by section 10, subdivision 5 \$

(8) for administrative costs to implement sections 1 to 13 \$

The complement of the board is increased by . . . positions.

Subd. 3. [DEPARTMENT OF REVENUE.] The following amounts are appropriated from the general fund to the department of revenue to be available until June 30, 1990:

(1) for administrative costs of the fund incurred under section 6 \$

(2) for the collection of fees under section 8 \$

The complement of the department of revenue is increased by . . . positions.

Subd. 4. [METROPOLITAN COUNCIL.] \$ is appropriated from the general fund to the metropolitan council to be available until June 30, 1990, for the cost of public education pursuant to section 6, subdivision 2, clause (6), and the cost of preparation of the report required by section 10, subdivision 5.

The complement of the council is increased by . . . positions.

Subd. 5. [METROPOLITAN LANDFILL ABATEMENT FUND.] \$ is appropriated from the general fund to the metropolitan landfill abatement fund to be available until June 30, 1990, for the purposes of section 6, subdivision 2, clauses (1) to (4).

Subd. 6. [REIMBURSEMENT.] The amounts appropriated in this section must be reimbursed to the general fund from the fund created in section 6 by June 30, 1990.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1988, except that sections 7, subdivision 1; and 8, subdivision 1, clause (a), are effective October 1, 1988."

Amend the title as follows:

Page 1, line 5, delete everything after the first comma

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2071, A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144A.04, is amended by adding a subdivision to read:

Subd. 7. [MINIMUM NURSING STAFF REQUIREMENT.] Notwithstanding the provisions of Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel in nursing homes is as follows:

(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized resident day.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, parts 4655.5900, 4655.6100, and 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day.

(c) Calculation of nursing hours per standardized resident day is

performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

Sec. 2. Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase

in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility, or necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and (2) the nursing home beds are not certified for participation in the medical assistance program;

(1) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home under common ownership with or control of a hospital to the hospital when a hospital-attached nursing home is moved simultaneously to the hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. When a separate nursing home and a hospital-attached nursing home under common ownership or control are simultaneously relocated to a hospital building, a combined cost report must be submitted for the cost reporting year ending September 30, 1987, and the freestanding nursing home limits apply. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center

engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds; or

(o) to certify or license new beds in a new facility on the Red Lake Indian reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b); or

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements.

Sec. 3. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.

Sec. 4. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules, the interagency board shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 3, clause (j). The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency board within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, or conversion;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

(7) for proposals involving replacement or renovation of all or part of a facility which is not air conditioned, a proposal to add air conditioning to the portions undergoing replacement or renovation. If the applicant feels it has good cause for not recommending this portion of the proposal, it shall state its reasons;

(8) the proposed timetable for commencing construction and completing the project; and

(9) other information required by rule of the commissioner of health.

Sec. 5. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7, is amended to read:

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or

approved under this section involving upgrading must satisfy the following conditions:

(a) ~~No proposal for upgrading may be approved after June 30, 1989.~~

(b) ~~No more than one proposal for upgrading may be approved for a facility.~~

(c) ~~Upgrading is limited to a total of ten beds.~~

(d) ~~The facility must meet minimum nursing home care standards.~~

(e) ~~Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.~~

(f) ~~(b) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.~~

(g) ~~(c) The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the department of health.~~

(h) ~~The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.~~

Sec. 6. Minnesota Statutes 1987 Supplement, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of supplemental security income, in this state shall not be less than \$40 \$45 per month from all sources. When benefit amounts for social security or supplemental security income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home or intermediate care facility. The commissioner of human services shall provide timely notice to local agencies, providers, and recipients of increases under this provision.

Provided that this (b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, notwithstanding the provisions of section 256D.37, subdivision 2, and payments to the recipients from of Minnesota supplemental aid funds may be made once each three months beginning in October 1977, covering liabilities that accrued during the preceding three months.

Sec. 7. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER-OPERATING-COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other-operating-cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to the percent of the median that approximates the 70th percentile of the array of allowable historical other-operating-cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other-operating-cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to the percent of the median that approximates the 85th percentile of the arrays of the allowable historical case mix operating cost standardized per diems and the allowable historical other-care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, through June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 2.7 percent and then

dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [NEW BASE YEAR.] The commissioner shall establish the reporting year ending September 30, 1989, as a new base year.

Sec. 8. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3d. [BETTERMENTS AND ADDITIONS.] Notwithstanding any contrary provision of chapter 256B, or a rule adopted under chapter 256B, a nursing home that commenced construction on a betterment and addition costing \$700,000 or more prior to the expiration of Minnesota Rules, 12 MCAR 2.05001 to 2.05016 (Temporary)(1983) shall have its property-related payment rate step-up as a result of the betterment and addition calculated as set forth in 12 MCAR 2.05011.B.3 in the case of betterments, and 12 MCAR 2.05011.D in the case of additions. For purposes of this subdivision, the terms "betterment" and "addition" have the meaning set forth in 12 MCAR 2.05002 and the term "commenced construction" has the meaning set forth in section 144A.071, subdivision 3.

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3e. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. Beginning January 1, 1989, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [REFINANCING.] If a nursing home is approved and refinanced under section 10, the commissioner shall adjust the nursing home's property-related payment rate for the savings that result from refinancing. The adjustment to the property-related payment rate must be as follows:

(1) The commissioner shall recalculate the nursing home's rental per diem by substituting the new allowable annual principal and interest payments for those of the refinanced debt.

(2) The nursing home's property-related payment rate must be decreased by the difference between the nursing home's current rental per diem and the rental per diem determined under clause (1).

If a nursing home payment rate is adjusted according to this paragraph, the adjusted payment rate is effective the first of the month following the date of the refinancing for both medical assistance and private paying residents. The nursing home's adjusted property-related payment rate is effective until June 30, 1990.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] (a) For rate years beginning on or after July 1, 1990, nonhospital-attached nursing homes that, on or after January 1, 1976, but prior to December 31, 1985, were newly licensed after new construction, or increased their licensed beds by a minimum of

35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose debt amortization schedule exceeds 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their allowable principal and allowable interest before application of the replacement-cost-new per bed limit plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

(b) Each nursing home eligible for a property-related payment rate under paragraph (a) must first apply for refinancing of the nursing home's mortgage debt with the housing finance agency by June 30, 1989. The housing finance agency, in consultation with the commissioner of human services, shall review the refinancing application and shall determine the cost-effectiveness and feasibility of refinancing the nursing home's mortgage debt. A nursing home that does not apply for refinancing by June 30, 1989, is not eligible for property-related payment rates determined under this subdivision for rate years beginning on or after July 1, 1990.

Sec. 11. Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes

which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For fiscal years beginning on or after January 1, 1988, the facility's payment rate shall be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted

payment rate plus the real estate tax and special assessment per diem.

(5) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;
- (6) a transfer of an interest to a trust;
- (7) gifts or other transfers for no consideration;
- (8) a merger of two or more related organizations;

(9) a transfer of interest in a facility held in receivership;

(10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;

(11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or

(12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of Minnesota Rules, parts 9549.0010 to 9549.0080, any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program, and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 12. Minnesota Statutes 1987 Supplement, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 or to a nursing home pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity jus-

tification, as determined by the commissioner, in consultation with an advisory committee that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program. If the provider number of a nursing home is used to bill services provided by a vendor of therapy services that is not related to the nursing home by ownership, control, affiliation or employment status, no withholding of payment shall be imposed against the nursing home for services not medically necessary except for funds due the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c). For the purpose of this subdivision, no monetary recovery may be imposed against the nursing home for funds paid to the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c), for services not medically necessary.

Sec. 13. Laws 1987, chapter 403, article 4, section 13, is amended to read:

Sec. 13. [STUDY AND REPORT.]

(a) The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

(b) In addition to the issues in paragraph (a), the interagency board shall study and make recommendations concerning the policy and fiscal impact of the changes made in Public Law Number 100-203 relating to the elimination of the intermediate care facility certification level in 1990. The interagency board shall consider at least the following: the need for continuation of the services currently offered by certified boarding care home beds, the need for additional beds in state licensed nursing homes, the fiscal impact associated with the reconstruction or replacement of facilities that do not meet nursing home standards, the costs of establishing an alternative funding source for the payment of services currently provided in these facilities, and the need to promulgate licensure standards. If the interagency board recommends that facilities be licensed as nursing homes, the interagency board shall recommend specific procedures for the granting of the licenses and identify

methods for the licensing or funding of facilities that may be considered out of compliance with federal law on October 1, 1990. The board shall provide recommendations to the legislature for legislative changes that are necessary to implement the board's recommendations. The costs associated with the board's recommendations must be provided to the commissioner of human services and included in the medical assistance forecast and the agency budget requests for the biennium ending June 30, 1991.

Sec. 14. [EFFECTIVE DATES.]

The increase in the personal needs allowance in section 6, paragraph (a), is effective January 1, 1989. The remaining provisions of section 6 are effective July 1, 1989.

Section 8 is effective the day following final enactment and applies to nursing home rate years that begin on or after July 1, 1988."

Delete the title and insert:

"A bill for an act relating to health and human services; setting minimum nursing staff requirement; providing exception to nursing home moratorium; amending definitions; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; requiring a report on the impact of federal law changes; amending Minnesota Statutes 1986, sections 144A.04, by adding a subdivision; and 256B.431, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, and 7; 256B.35, subdivision 1; 256B.431, subdivision 4; and 256B.433, subdivision 1; Laws 1987, chapter 403, article 4, section 13."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2086, A bill for an act relating to motor vehicles; removing restrictions regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

Reported the same back with the following amendments:

Page 1, line 9, after "VEHICLE" insert "AIR"

Page 1, line 13, after "means" strike "a" and insert "any"

Page 1, line 22, before "POLLUTION" insert "AIR" and before "Pollution" insert "Air"

Page 1, line 23, after "means" delete "a" and insert "any"

Page 2, line 3, strike "a" and insert "any air"

Page 2, line 5, after "vehicle" insert "or on a motor vehicle engine"

Page 2, line 6, after "not" insert "manufacture," and after "advertise" insert ", offer"

Page 2, line 7, after "causes" strike "the" and insert "any air"

Page 2, line 8, strike "to be nonfunctional" and insert "not to be functional as designed"

Page 2, line 10, strike "the" and insert "any air"

Page 2, line 11, strike "is nonfunctional" and insert "is either not in place or is not functional"

Page 2, line 13, strike "the" and insert "any air"

Page 2, strike lines 14 and 15

Page 2, line 16, strike everything before the period

Page 2, after line 21, insert:

"Subd. 6. [DISCLOSURE.] No person may transfer a motor vehicle without certifying in writing to the transferee that to the best of the person's knowledge, the air pollution control systems, including the restricted gasoline fill pipe, have not been removed, altered, or rendered inoperative. The registrar of motor vehicles shall prescribe the manner and form in which this written disclosure must be made. No transferor may knowingly give a false statement to a transferee in making a disclosure required by this subdivision."

Amend the title as follows:

Page 1, line 2, delete "restrictions" and insert "language"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2087, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, 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.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2098, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116I.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Reported the same back with the following amendments:

Page 13, after line 22, insert:

“Sec. 21. [HAZARDOUS MATERIALS RESPONSE TEAMS; STUDY.]

The commissioner of the department of public safety shall conduct a study to determine the need for hazardous materials response teams, training standards for and equipment needs of such teams, and potential implementation of teams including locating, directing

and coordinating them. The study must take into account the hazardous materials response and reporting requirements of the Superfund Amendments and Reauthorization Act, Public Law Number 99-499, 100 Stat. 1613 (1986). The commissioner shall report the results of the study to the committee on regulated industries and the committee on environment and natural resources in the house of representatives and the committee on public utilities and energy and the committee on environment and natural resources in the senate by December 31, 1988."

Page 13, line 35, delete "22" and insert "23"

Renumber the sections 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.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2101, A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

Reported the same back with the following amendments:

Page 6, line 7, after "who" insert "willfully" and delete "as a"

Page 6, line 8, delete everything before the colon

Page 6, line 14, delete everything after "sampling"

Page 6, line 15, delete "sampling"

Page 6, line 17, after the first "or" insert ", with respect to pollution of the waters of the state, chapter"

Page 6, line 22, delete "\$300" and insert "\$2,500"

Page 6, line 33, after the first "or" insert ", with respect to pollution of the waters of the state, chapter"

Page 6, line 36, after "or" insert ", with respect to pollution of the waters of the state, chapter"

With the recommendation that when so amended the bill pass.

The report was adopted:

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2104, A bill for an act relating to crimes; prescribing the penalty of murder in the first degree for the new crime of causing the death of a child while committing child abuse; amending Minnesota Statutes 1986, section 609.185.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) Causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) Causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) Causes the death of a human being with intent to effect the death of the person 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; or

(4) Causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties; or

(5) Causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing or attempting to commit child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim which constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, or 609.345.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2108, A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299D.03, subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, corporals and sergeants hereinafter designated shall be known as patrol troopers.

(2) There may be appointed one lieutenant colonel; and such majors, captains, corporals, sergeants and troopers as the commissioner deems necessary to carry out the duties and functions of the state patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors. The total number of supervisors shall not exceed one for each ten patrol officers, but no supervisor shall be demoted in order to obtain this ratio. Vacancies in supervisory positions, however, shall not be filled until the ratio provided for herein is reached.

(3) The salary rates for all state patrol troopers, corporals and sergeants shall be deemed to include \$6 per day reimbursement for shift differential, meal and business expenses incurred by state

patrol troopers, corporals and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 2. [RATIFICATION.]

Subdivision 1. The labor agreement between the state of Minnesota and the American federation of state, county and municipal employees, council 6, approved by the legislative commission on employee relations on July 21, 1987, is ratified.

Subd. 2. The labor agreement between the state of Minnesota and the Minnesota association of professional employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 3. The labor agreement between the state of Minnesota and the middle management association, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 4. The labor agreement between the state of Minnesota and the Minnesota community college faculty association, Minnesota education association, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 5. The labor agreement between the state of Minnesota and the Minnesota government engineers council, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 6. The salary plan for positions listed in Minnesota Statutes, section 15A.081, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 7. The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 8. The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 9. The labor agreement between the state of Minnesota and the interfaculty organization, Minnesota education association, approved by the legislative commission on employee relations on October 6, 1987, is ratified.

Subd. 10. The labor agreement between the state of Minnesota and the Minnesota state university association of administrative

and service faculty, Minnesota teamsters, local 320, approved by the legislative commission on employee relations on October 6, 1987, is ratified.

Subd. 11. The salary for the executive director of the higher education coordinating board, approved by the legislative commission on employee relations on November 9, 1987, is ratified.

Subd. 12. The salary for the chancellor of the community college system, approved by the legislative commission on employee relations on November 9, 1987, is ratified.

Subd. 13. The labor agreement between the state of Minnesota and the Minnesota nurses association, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 14. The salary for the chancellor of the state university system, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 15. The salary for the state director of vocational technical education, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 16. The salary for the executive director of the board of medical examiners, approved by the legislative commission on employee relations on March 8, 1988, is ratified.

Subd. 17. The negotiated and arbitrated labor agreement between the state of Minnesota and the bureau of criminal apprehension agents' association, Minnesota conservation officers' association, and the Minnesota state patrol officers' association, approved by the legislative commission on employee relations on March 8, 1988, is ratified.

Sec. 3. [INTERIM APPROVAL.]

After adjournment of the 1988 session but before the 1989 session of the legislature, the legislative commission on employee relations may give interim approval to any negotiated agreement, arbitration award, or compensation or salary plan submitted to it under other law. The commission shall submit the agreement, award, or plan to the entire legislature for ratification in the same manner and with the same effect as provided for agreements, awards and plans submitted after adjournment of the legislature in an odd-numbered year.

Sec. 4. [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 state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies; limiting the number of highway patrol supervisors; amending Minnesota Statutes 1986, section 299D.03, subdivision 2.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2110, A bill for an act relating to retirement; local police and firefighter relief associations; providing for postretirement payments for retirees, surviving spouses and dependents; proposing coding for new law in Minnesota Statutes, chapter 423A.

Reported the same back with the following amendments:

Page 1, line 15, delete “salary”

Page 1, line 16, delete “increases” and insert “increase of the salary upon which pension benefits are determined”

Page 1, line 18, delete “percentage and carried to four decimal places” and insert “dollar amount”

Page 1, line 19, delete “.5” and insert “1.5”

Page 1, line 20, before the period insert “and does not exist unless the time weighted total rate of return of the fund exceeds five percent”

Page 2, line 2, delete “is receiving” and insert “received”

Page 2, line 3, delete “were receiving” and insert “received”

Page 2, delete lines 10 to 23 and insert:

“Subd. 2. [DETERMINATION OF EXCESS INVESTMENT INCOME.] The board of trustees of a relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state

auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be reserved by the relief association for application under subdivisions 3 and 4. Excess investment income must not be considered for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216. Additional investment must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

Subd. 3. [APPLICATION OF EXCESS INVESTMENT INCOME.] The amount of excess investment income determined by subdivision 2 must be applied as follows:

(1) one-third must be reserved to pay a benefit to eligible members under subdivision 4 in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) one-third must be reserved to reduce that portion of the state's amortization state aid or supplementary amortization state aid payment to the relief association under section 423A.02; and

(3) one-third must be reserved to reduce the minimum obligation of the municipality for the following calendar year.

Subd. 4. [COMPUTATION; PAYMENT.] Payment of the annual postretirement payment shall be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year. The total amount of all payments to members shall not exceed the amount determined under subdivision 1. A relief association that increases a service pension to a retired member in an amount equal to the same percentage that the salary base has increased shall pay an annual postretirement payment to all eligible members in a percent amount not to exceed the amount of excess investment income. Payment to each eligible member shall be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income, and then multiplying that result by the number of units to which each eligible member is entitled. Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan.

Each other relief association shall pay an annual postretirement payment to its eligible members who do not receive a service pension increase equal to the same percentage that the salary base has increased. Payment to each of these members shall be calculated

by dividing the total number of pension units to which these members are entitled into the excess investment income, and then multiplying that result by the number of units to which each member is entitled. The payment to each eligible member shall not exceed the difference between the retired member's monthly benefit and the amount the benefit would have been had it increased at the same percentage rate as the salary base. Any excess investment income exceeding the limits just described shall be divided among all eligible members of the relief association by dividing the total number of pension units to which the members are entitled into the excess investment income, and then multiplying that result by the number of units to which each member is entitled. The total payment to each eligible member is subject to the overall limit that it shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2118, A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, subdivision 10; 518.175, subdivision 7; 518.551, subdivision 11; 518.552, subdivision 4; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the

ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 2. Minnesota Statutes 1986, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING CHILD SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing child support contributions by a parent found able to reimburse the county or state agency. Except as provided in subdivision 4, the order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and for five months thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 3. Minnesota Statutes 1986, section 256.978, is amended to read:

256.978 [LOCATION OF PARENTS DESERTING THEIR CHILDREN, ACCESS TO RECORDS.]

The commissioner of human services, in order to carry out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children, may request information from the records of all departments, boards, bureaus or other agencies of this state, which shall, notwithstanding the provisions of section 290.61, section 268.12, subdivision 12 or any other law to the contrary, provide the information necessary for this purpose. Employers and utility companies doing business in this state shall provide the following data upon written request by an agency responsible for child support enforcement, to identify and locate individuals owing or allegedly owing a duty to support,

whether the individual is employed or is receiving utility service and the individual's address. A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer of whom the request was made. The request must include a statement that such reasonable cause exists. Information relative to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of support may be requested and used or transmitted by the commissioner pursuant to the authority conferred by this section. The commissioner of human services may make such information available only to public officials and agencies of this state and its political subdivisions and other states of the union and their political subdivisions who are seeking to enforce the support liability of parents or to locate parents who have, or appear to have, deserted their children. Any person who, pursuant to this section, obtains information from the department of revenue the confidentiality of which is protected by law shall not divulge the information except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 4. Minnesota Statutes 1986, section 270A.03, subdivision 4, is amended to read:

Subd. 4. "Debtor" means a natural person obligated on a debt to a claimant agency or having a delinquent account with a public agency responsible for child support enforcement.

Sec. 5. Minnesota Statutes 1987 Supplement, section 356.80, is amended to read:

356.80 [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 who cites this statute, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, ~~as of the first day of the seventh month following the date of the request if the action involves an active plan member,~~ and as of the date of valuation of marital assets under section 518.58, if the person requesting the

information specifies that date. The information must also include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to August 1, 1987, provided a procedure for dividing pension benefits or rights in the form the distribution of future pension plan payments, upon request the applicable pension plan administrator shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure without requiring a signed authorization from the plan member or former plan member.

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, ~~a responsible authority~~ an administrator may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section.

Sec. 6. Minnesota Statutes 1986, section 518.145, is amended to read:

518.145 [DECREE, FINALITY, AND REOPENING.]

Subdivision 1. [APPEAL.] A decree of dissolution of marriage or of legal separation is final when entered, subject to the right of appeal. When entered, the findings of fact and conclusions of law may constitute the judgment and decree. An appeal from the decree of dissolution that does not challenge the finding that the marriage is irretrievably broken does not delay the finality of that provision of the decree which dissolves the marriage beyond the time for appealing from that provision. A party may remarry before the time for appeal has run if it is not contested that the marriage is irretrievably broken or if a stipulation that the marriage is irretrievably broken is incorporated in the decree of dissolution.

Subd. 2. [REOPENING.] On motion and upon terms as are just, the court may relieve a party from a judgment and decree, order, or proceeding under chapter 518, except for provisions dissolving the bonds of marriage, annulling the marriage, or directing that the parties are legally separated, and may order a new trial or grant other relief as may be just for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) newly discovered evidence which by due diligence could not

have been discovered in time to move for a new trial under the rules of civil procedure, rule 59.03;

(3) fraud, whether denominated intrinsic or extrinsic, misrepresentation, or other misconduct of an adverse party;

(4) the judgment and decree or order is void; or

(5) the judgment has been satisfied, released, or discharged, or a prior judgment and decree or order upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment and decree or order should have prospective application.

The motion must be made within a reasonable time, and for a reason under clause (1), (2), or (3), not more than one year after the judgment and decree, order, or proceeding was entered or taken. A motion under this subdivision does not affect the finality of a judgment and decree or order or suspend its operation. This subdivision does not limit the power of a court to entertain an independent action to relieve a party from a judgment and decree, order, or proceeding or to grant relief to a party not actually personally notified as provided in the rules of civil procedure, or to set aside a judgment for fraud upon the court.

Sec. 7. Minnesota Statutes 1986, section 518.17, subdivision 3, is amended to read:

Subd. 3. [CUSTODY ORDER.] (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

(a) (1) the legal custody of the minor children of the parties which shall be sole or joint;

(b) (2) their physical custody and residence; and

(c) (3) their support. In determining custody, the court shall consider the best interests of the each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under paragraph (c), and every custody order must include the following notice to the parties:

NOTICE IS HEREBY GIVEN TO THE PARTIES:

Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Presentation of

a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress, and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party.

In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

Each party has the right to reasonable access and telephone contact with the minor children.

(c) The court may waive all or part of the notice required under paragraph (b) if it finds that it is necessary to protect the welfare of a party or child.

Sec. 8. Minnesota Statutes 1986, section 518.171, is amended by adding a subdivision to read:

Subd. 10. [ENFORCEMENT.] Remedies available for the collection and enforcement of child support apply to medical support. For the purpose of enforcement, the cost of individual or group health or hospitalization coverage is additional child support.

Sec. 9. Minnesota Statutes 1986, section 518.175, is amended by adding a subdivision to read:

Subd. 7. [GRANDPARENT VISITATION.] In all proceedings for dissolution or legal separation, the court may make an order granting visitation rights to grandparents under section 257.022, subdivision 2.

Sec. 10. Minnesota Statutes 1987 Supplement, section 518.54, subdivision 10, is amended to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "Public Pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 11. Minnesota Statutes 1986, section 518.54, is amended by amending a subdivision to read:

Subd. 12. [PRIVATE PENSION PLAN.] "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond.

Sec. 12. Minnesota Statutes 1986, section 518.551, is amended by adding a subdivision to read:

Subd. 11. [REOPENING SUPPORT AWARDS.] Section 518.145, subdivision 2, applies to awards of child support.

Sec. 13. Minnesota Statutes 1986, section 518.552, is amended by adding a subdivision to read:

Subd. 4. [REOPENING MAINTENANCE AWARDS.] Section 518.145, subdivision 2, applies to awards of spousal maintenance.

Sec. 14. Minnesota Statutes 1987 Supplement, section 518.58, subdivision 2, is amended to read:

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested ~~public~~ public pension plan benefits or rights in the form of future ~~public~~ public pension plan payments:

(1) may not commence until the ~~public~~ public plan member submits a valid application for a ~~public~~ public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the ~~public~~ public pension plan benefit payable under the terms of the plan;

(3) is not payable for a period that exceeds the time that ~~public~~ public pension plan benefits are payable to the ~~public~~ public pension plan benefit recipient;

(4) is not payable in a lump sum amount from ~~public~~ public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a ~~public~~ public pension plan; and

(5) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee.

Sec. 15. Minnesota Statutes 1987 Supplement, section 518.581, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

Sec. 16. Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) The obligor is at least 30 days in arrears;

(2) The obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) Within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; and

(4) The obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) The obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

Sec. 17. Minnesota Statutes 1986, section 518.611, subdivision 10, is amended to read:

Subd. 10. [ORDER TERMINATING INCOME WITHHOLDING.]
(a) Whenever an obligation for support of a child or maintenance of a spouse, or both, terminates under the terms of the order or decree establishing the obligation, and where the obligation is enforced by an order for income withholding from the obligor, the court shall enter an order, directed to the obligor's employer or other payer of funds, which terminates the income withholding. The order terminating income withholding must specify the effective date of the order, referencing the initial order or decree establishing the support obligation.

The order must be entered once the following conditions have been met:

(1) the obligor serves written notice of the application for termination of income withholding by mail upon the obligee at the obligee's last known mailing address; and a duplicate copy of the application is served upon the public authority responsible for the processing of support collection services;

(2) the application for termination of income withholding specifies the event that terminates the support obligation, the effective date of the termination of the support obligation, and the applicable provisions of the order or decree that established the support obligation;

(3) the application includes the complete name of the obligor's employer or other payer of funds, the business mailing address, the court action and court file number, and the support and collections file number, if known; and

(4) after receipt of the application for termination of income withholding, the obligee or the public authority fails within 20 days to request a hearing on the issue of whether income withholding of support should continue clearly specifying the basis for the continued support obligation and, ex parte, to stay the service of the order terminating income withholding upon the obligor's employer or other payer of funds, pending the outcome of the hearing.

(b) If the public authority determines that the support obligation

has terminated under the terms of the order or decree establishing the obligation, the public authority shall notify the obligee and obligor of intent to terminate income withholding. Five days following this notice, the public authority shall issue a notice to the payor of funds terminating income withholding, without a requirement for a court order terminating income withholding, unless a hearing has been requested under paragraph (a).

Sec. 18. Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 19. Minnesota Statutes 1986, section 518.641, is amended to read:

518.641 [COST-OF-LIVING ADJUSTMENTS IN MAINTENANCE OR CHILD SUPPORT ORDER.]

Subdivision 1. [REQUIREMENT.] An order for child support shall, and an order for maintenance may, provide for a biennial

adjustment in the amount to be paid based on a change in the cost-of-living. The An order which provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. The court may specify that the housing component be excluded from the cost-of-living adjustment. Cost-of-living increases under this section shall be compounded. ~~It~~ The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made. A court may waive the requirement of the cost-of-living clause in an order for child support if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing. The commissioner of human services may promulgate rules for child support adjustments under this section in accordance with the rulemaking provisions of chapter 14.

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor shall inform the obligor that an adjustment in payments shall become effective on the first of May; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Subd. 3. [RESULT OF HEARING.] If, at a hearing pursuant to this section, the obligor establishes an insufficient cost of living or other increase in income that prevents fulfillment of the an adjusted maintenance or child support obligation, the court may direct that all or part of the adjustment not take effect. If, at the hearing, the obligor does not establish this insufficient increase in income, the adjustment shall take effect as of the date it would have become effective had no hearing been requested.

Subd. 4. [FORM.] The department of human services shall pre-

pare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section regarding a child support order. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 5. [REQUEST FOR COST-OF-LIVING CLAUSE.] A motion for enforcement or modification of an existing child support order shall include a request for a cost-of-living clause. The court may deny the request only upon an express finding that the obligor's occupation, income, or both, does not provide for a cost-of-living adjustment or that the existing child support order either has a cost-of-living clause or sets forth a step increase which has the effect of a cost-of living adjustment."

Delete the title and insert:

"A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 270A.03, subdivision 4; 518.145; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.54, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.611, subdivision 10; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; 518.611, subdivision 2; and 518.64, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2119, A bill for an act relating to education; requiring child care facilities and services in some state funded buildings at the University of Minnesota, Twin Cities campus; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the following amendments:

Page 1, line 11, after "building" insert "to be used by more than 100 students or employees on a regular basis"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2120, A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, 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.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; providing for interest on unpaid charges of participating entities; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.17, by adding a subdivision; 62D.18; and 62D.19; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Reported the same back with the following amendments:

Page 16, after line 29, insert:

“Subd. 6. [EXEMPTION.] This section shall not apply to a health maintenance organization which has a political subdivision as a guaranteeing organization.”

Page 18, after line 2, insert:

“This subdivision does not limit a provider’s ability to seek payment from any person other than the enrollee, the enrollee’s guardian or conservator, the enrollee’s immediate family members, or the enrollee’s legal representative in the event of nonpayment by the health maintenance organization.”

Page 19, delete lines 31 to 36

Page 20, delete lines 1 to 3

Page 21, line 8, after “contracts” insert “, and of contracts with participating entities for the provision of administrative, financial, or management services,”

Page 21, line 9, after “providers” insert “and other contracting participating entities”

Page 21, after line 10, insert:

“If the court approves a contract amendment that diminishes a provider’s compensation, the amendment may not be effective for more than 60 days.”

Page 23, line 18, delete “1992” and insert “1993”

Page 23, line 28, delete “maintain” and insert “accrue on its balance sheet”

Page 23, line 29, delete “estimated in the aggregate to be sufficient to pay”

Page 24, line 25, delete “1992” and insert “1993”

Re-number remaining sections in sequence

Correct all internal cross-references

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete everything before “regulating”

Page 1, lines 20 and 21, delete “62D.17, 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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 507.235, is amended to read:

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded by the vendee within ~~six~~ four months in the office of the county recorder or registrar of titles in the county in which the land is ~~situated~~ located. A vendor of a contract for deed may record the contract.

A person receiving an assignment of a vendee's interest in a contract for deed that is transferred on or after January 1, 1989, shall record the assignment within four months of the date of transfer in the office of the county recorder or registrar of titles in the county in which the land is located. For the purpose of this section, "assignment" means an assignment or other transfer of all or part of a vendee's interest in a contract for deed. An assignor of a contract for deed may record an assignment.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a contract for deed is not filed (a) A vendee who fails to record a contract for deed as required by subdivision 1, is subject to a civil penalty is imposed, payable pursuant to subdivision 5, equal to 0.15 two percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be may be enforced as a lien against the vendee's interest in the property and shall have has the same priority and may be collected in the same manner provided for real property taxes.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable pursuant to subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county.

Subd. 3. [DISCLOSURE.] A vendor, vendee, and current or former holder of a contract for deed, a person who collects payments made pursuant to a contract for deed, and a person in possession of the property subject to a contract for deed shall, on written request made by the city or county attorney of the city or county in which the property is located, disclose all information known to the person relating to the parties involved in the contract for deed or any assignment of the contract for deed.

The information must be disclosed in writing to the city or county attorney within 14 days of receipt of the notice and must include information known to the person relating to the identity and residence or office mailing address of the parties involved and any legible, true, and correct copies of relevant contracts for deed and assignment documents in the possession of or reasonably available to the person required to disclose.

Subd. 4. [CRIMINAL PENALTY.] A person who is required to record a contract for deed or an assignment of a contract for deed pursuant to subdivision 1 and who fails to record the transaction within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or a county in which the land is located when the land is not located in a city may prosecute, by its attorney, criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.

Subd. 5. [CIVIL ENFORCEMENT.] A city or county in which the land is located may enforce the provisions of this section by its attorney. The city or county may bring an action to compel performance, an action to impose the civil penalty, or an action to compel disclosure of information.

Prior to bringing an action under this subdivision or subdivision 4, the city or county must provide written notice to the person subject to subdivision 1 of the person's duty to record the contract for deed or the assignment. Only when the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice may any action be brought.

It is an affirmative defense in an enforcement action that the contract for deed or assignment document is not recordable and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2149, A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

Reported the same back with the following amendments:

Page 1, line 10, delete "one" and insert "one-fourth"

Page 1, line 18, before "board" insert "boards of county commissioners of Ramsey and Washington counties and by the"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2165, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2176, A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2178, A bill for an act relating to energy; providing for minimum standards for fluorescent lamps; amending Minnesota Statutes 1986, section 116J.19, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(f) No provision of the code or any appendix chapter of the code

may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) [FLUORESCENT LAMP BALLASTS.] (1) For the purposes of this subdivision, the following terms have the meanings given them:

(i) "Ballast or fluorescent lamp ballast" means a device to operate a fluorescent lamp by starting voltage and current, limiting the current during normal operation, and designed to: (a) operate at a nominal input voltage of 120 or 227 volts, (b) operate with an input frequency of 60 hertz, and (c) be used to operate an F40T12 or F96T12 lamp.

(ii) "Ballast efficiency factor" means the ratio of relative light output, expressed as a percent, to the power input, expressed in watts under test conditions.

(iii) "F40T12 lamp" means a tubular fluorescent lamp which is a nominal 40 watts, with a 48-inch tube, 1½ inches in diameter and conforms to the American National Standards Institute standard C.78.1.

(iv) "F96T12 lamp" means a tubular fluorescent lamp that is a nominal 75 watts, with a 96-inch tube, 1½ inches in diameter, and conforms to the American National Standards Institute standard C.78.3.

(v) "Luminaire" means a complete lighting unit consisting of a fluorescent lamp, or lamps, together with parts designed to distribute the light, to position and protect lamps, and to connect lamps to the power supply.

(vi) "Nominal input voltage" means an input voltage within plus five percent or minus five percent of a specified value.

(vii) "Nominal lamp watts" means wattage at which a fluorescent lamp is designed to operate.

(viii) "Power input" means the rate of energy consumption in watts of a ballast and fluorescent lamp or lamps.

(ix) "Relative light output" means the test ballast light output divided by a reference ballast light output using the same reference lamp and expressing the value as a percent.

(2) The code must recommend but not require that buildings comply with the following minimum standards for fluorescent lamp ballasts:

The minimum allowable recommended ballast factors are:

<u>Ballasts Designed for the Operation of</u>	<u>Nominal Input Voltage</u>	<u>Total Nominal Lamp Watts</u>	<u>Minimum Ballast Efficiency Factor</u>
<u>One F40T12 lamp</u>	<u>120</u>	<u>40</u>	<u>1.805</u>
	<u>277</u>	<u>40</u>	<u>1.805</u>
<u>Two F40T12 lamps</u>	<u>120</u>	<u>80</u>	<u>1.060</u>
	<u>277</u>	<u>80</u>	<u>1.050</u>
<u>Two F96T12 lamps</u>	<u>120</u>	<u>150</u>	<u>0.570</u>
	<u>277</u>	<u>150</u>	<u>0.570</u>

The code may provide exceptions from recommended standards for certain fluorescent lamp ballasts that have a dimming capacity, are intended for use in ambient temperatures of 0 degrees Fahrenheit or less, or having a power factor less than 0.75.

Sec. 2. Minnesota Statutes 1986, section 116J.19, is amended by adding a subdivision to read:

Subd. 15. The commissioner, in consultation with an advisory board that includes electrical contractors, retailers, and conservationists, shall study and report to the legislature by January 1, 1990, the fiscal impact and energy conservation impact to the state if the recommended minimum standards for fluorescent lamp ballasts set forth in section 1 are made mandatory.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1988. Section 2 is repealed effective January 1, 1990."

Delete the title and insert:

"A bill for an act relating to energy; recommending minimum standards for fluorescent lamp ballasts; requiring the commissioner of public service to make a study; amending Minnesota Statutes 1986, section 116J.19, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Beginch from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2181, A bill for an act relating to workers' compensation; recodifying the workers' compensation law in chapter 176; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement, chapter 176.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house research, may provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 15, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 15, 1990."

Delete the title and insert:

"A bill for an act relating to workers' compensation; directing the revisor of statutes to recodify Minnesota Statutes, chapter 176, relating to workers' compensation."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2188, A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [FINDINGS.]

The legislature finds that a significant number of state residents do not have access to adequate health care because they cannot afford the cost of health insurance coverage, are not eligible for government health care programs, and are not covered by any government subsidized or employment-based insurance. These residents are often hard working Minnesotans whose wages are not sufficient to pay for health insurance premiums. They are farmers, small business owners, minor children, and elderly persons.

The legislature further finds that the very poor receive subsidized care through medical assistance programs and that most residents who do have health insurance or coverage through a health maintenance organization are covered through employment-based insurance.

The legislature further finds that although charity health care plays an important role in providing access to health care for persons without access to adequate health care, charity health care cannot continue to provide for the health care needs of these persons as their population continues to grow.

The legislature finds that to assure the continued health and welfare of these persons, it is necessary and desirable to establish a state administered health insurance program. The program shall provide coverage comparable to the coverage provided to state of Minnesota employees. To minimize the fiscal impact to the state in administering such a program, the program must require financial participation from those who are covered based on their ability to pay.

Sec. 2. Minnesota Statutes 1987 Supplement, section 256.936, is amended to read:

256.936 [CHILDREN'S HEALTH PLAN.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms shall have the meanings given them:

(a) “Eligible persons” means ~~pregnant women and children under six years old~~ who are one year of age or older but less than 11 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not

otherwise insured for the covered services. ~~Eligibility for pregnant women shall continue for 60 days postpartum to allow for follow-up visits. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 11 years old.~~

(b) "Covered services" means ~~prenatal care services and children's health services.~~

(c) "~~Prenatal care services~~" means ~~the outpatient services provided to pregnant women which are medically necessary for the pregnancy. Physician or certified nurse-midwife services for delivery are included but inpatient hospital services are not included.~~

(d) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, nursing home or intermediate care facilities services, and mental health and chemical dependency services.

(e) (d) "Eligible providers" means those health care providers who provide ~~prenatal care services and children's health services~~ to medical assistance clients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance. ~~A provider of prenatal care services shall assess whether the pregnant woman is at risk of delivering a low birth weight baby or has a health condition which may increase the probability of a problem birth.~~

(f) (e) "Commissioner" means the commissioner of human services.

Subd. 2. [PLAN ADMINISTRATION.] The children's health plan is established to promote access to appropriate primary health care for pregnant women and to assure healthy babies and healthy children. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide prenatal care and children's health services for eligible persons. Payment for these services shall be made to all eligible providers. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about the plan medical programs and to promote access to the covered services. The commissioner must make a quarterly assessment of the expected expenditures for the covered services and the appropriation. Based on this assessment the commissioner may limit enrollments and target former aid to families with dependent children recipients. If sufficient money is not available to cover all costs incurred in one

quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be available in provider offices, local human services agencies, public and private elementary schools, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that will be used to verify income eligibility. Notwithstanding any other law to the contrary, benefits under this section are secondary to ~~any~~ a plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Subd. 4. [ENROLLMENT FEE.] An enrollment fee of \$35 is required from eligible persons for prenatal care services and an annual enrollment fee of \$25 is required from eligible persons for children's health services. ~~The fees may be paid together at the time of enrollment or as two payment installments.~~ The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance.

Sec. 3. Minnesota Statutes 1987 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, except for those persons eligible for Minnesota supplemental aid because the local agency waived excess assets under section 256D.37, subdivision 2; 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. For purposes of this section, a woman is considered pregnant for 60 days postpartum; 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 (8) if born and living with the woman. For purposes of this section, a woman is considered pregnant for 60 days postpartum; 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 assets, 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. However, in the case of families and children who meet the categorical eligibility requirements for aid to families with dependent children, the methodology for calculating assets shall be as specified in section 256.73, subdivision 2, and the methodology for calculating deductions from earnings for child care and work expenses shall be as specified in section 256.74, subdivision 1; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's 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 rules of the state agency; and

(12) who alone, or together with the person's 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 a 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. The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is \$6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months; 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. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. 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, (b) household goods and furniture in use in the home, (c) wearing apparel, (d) personal property used as a regular abode by the applicant or recipient, (e) a lot in a burial plot for each member of the household, (f) personal jewelry acquired more than 24 months immediately prior to the period of medical assistance eligibility and personal jewelry acquired within 24 months immediately prior to the period of medical assistance eligibility and not purchased with assets of the applicant or recipient, (g) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income, (h) for a period of six months, insurance settlements to repair or replace damaged, destroyed, or stolen property, (i) one motor vehicle that is 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 that is used primarily for the person's benefit, and (j) other items which may be required by federal law or statute. To be excluded, the vehicle must have a market value of less than \$4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for

operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the cash or liquid asset limit; and

(14) who has or anticipates receiving a semiannual income not in excess of 115 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to $133\frac{1}{3}$ percent of the AFDC income standard. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509; and

(15) who has monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established and medical assistance payments may be made to cover the monthly unmet medical need or who is a pregnant woman or infant up to one year of age who meets the requirements of clauses (1) to (8) except that her anticipated income is in excess of the income standards by family size used in the aid to families with dependent children program, but is equal to or less than $133\frac{1}{3}$ 185 percent of ~~that income standard~~ the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant up to one year of age with respect to this clause shall be without regard to the asset standards specified in clauses (12) and (13). For persons who reside in licensed nursing homes, regional treatment centers, or medical institutions, the income over and above that required in section 256B.35 for personal needs allowance is to be applied to the cost of institutional care. In addition, income may be retained by an institutionalized person (a) to support dependents in the amount that, together with the income of the spouse and child under age 18, would provide net income equal to the medical assistance standard for the family size of the dependents excluding the person residing in the facility; or (b) for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if the person was not living together with a spouse or child under age 21 at the time the person entered a long-term care facility, if the person has expenses of maintaining a residence in the community, and if a physician certifies that the person is expected to reside in the long-term care facility on a short-term basis. For purposes of this section, persons are determined to be residing in licensed nursing homes, regional treatment centers, or medical institutions if the persons are expected to remain for a period expected to last longer than three months. 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 the person or the person's spouse from any third person liable for the costs of medical care for the person, the spouse, and children. The state agency shall require from any applicant or recipient of medical assistance the assignment of any rights to medical support and third party payments. Persons must cooperate with the state in establishing paternity and obtaining third party payments. By signing an application for medical assistance, a person assigns to the department of human services all rights the person may have to medical support or payments for medical expenses from any other person or entity on their own or their dependent's behalf and agrees to cooperate with the state in establishing paternity and obtaining third party payments. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment takes effect upon the determination that the applicant is eligible for medical assistance and up to three months prior to the date of application if the applicant is determined eligible for and receives medical assistance benefits. The application must contain a statement explaining this assignment. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to notification of the assignment by the person or organization providing the benefits; and

(17) eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 4. [256H.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 4 to 11, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 3. [ELIGIBLE PERSON.] "Eligible person" means an individual who meets the requirements of section 6 and the rules adopted by the commissioner.

Subd. 4. [PROGRAM.] "Program" means the health insurance program for eligible persons administered by the commissioner under sections 4 to 11. The program's name is Minnesota access health plan.

Sec. 5. [256H.02] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commissioner may request bids and negotiate and contract with carriers that the commissioner determines are best qualified to underwrite and service the health

insurance plans. The commissioner may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commissioner may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a plan of coverage. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commissioner considers appropriate. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer a choice of plans available from two or more health plan companies. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the state to a health plan company under sections 4 to 11 are exempt from the tax imposed by section 60A.15 and are not included in a health plan company's premiums for the purposes of assessments under 62E.11.

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other definitions of benefits the commissioner considers necessary or desirable. A contract must provide benefits at least equal to those required by section 62A.32 or 62E.06, subdivision 2.

A contract shall not contain a provision denying coverage for any preexisting conditions.

Sec. 6. [256H.03] [ELIGIBILITY.]

Subdivision 1. [ELIGIBLE PERSONS.] A Minnesota resident may enroll in the program if the resident is not covered either directly or through a family member under:

(1) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, or 62D; or

(2) Medicaid or an employment-based insurance program.

Subd. 2. [REDETERMINATION OF ELIGIBILITY AND PREMIUM.] The commissioner shall redetermine a person's eligibility

and share of the premium every six months while the person is enrolled in the program.

Sec. 7. [256H.05] [PREMIUMS.]

Subdivision 1. [SLIDING FEE.] An eligible person shall pay that person's share of the premium for coverage at the time of enrollment. The enrollee's share of the premium shall be determined by an income-based sliding fee scale adopted by the commissioner in rule. The commissioner shall pay the remainder of the premium. Terms of payment of premiums by the commissioner and enrollee shall be provided in the contract.

Subd. 2. [PAYMENT OF FULL PREMIUM ALLOWED.] A person whose income is greater than 250 percent of the federal poverty income guidelines for a family of the same size must pay the entire premium to receive coverage under the program.

Sec. 8. [256H.06] [ENROLLMENT.]

The time, manner, conditions, and terms of eligibility for enrollment in the program shall be determined by the commissioner in rule.

The rules must ensure that eligible persons who need immediate medical treatment are covered under the program from the time they first seek treatment.

Sec. 9. [256H.07] [EFFECTIVE DATE OF COVERAGE.]

Except as provided by rule for persons who need immediate medical treatment, an eligible person is covered under the program on the date the writing carrier receives the first month's premium. Coverage is retroactive to the date the eligible person enrolled in the program.

Sec. 10. [256H.08] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication may include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commissioner shall devise and implement methods to maintain public awareness of the provisions of sections 4 to 11 and shall administer sections 4 to 11 in a manner that facilitates public participation.

Sec. 11. [256H.09] [IMPLEMENTATION PLAN; REPORT.]

The commissioner, in consultation with the commissioners of health and commerce, three individuals appointed by the chair of the senate health and human services committee, and three individuals appointed by the chair of the house health and human services committee, shall develop a plan to implement the program. The plan must include, but not be limited to:

(1) estimates of the number of people eligible for the program and the costs of the program;

(2) a description of benefits to be offered;

(3) recommendations for methods to determine eligibility and collect premiums;

(4) strategies for contracting and marketing;

(5) strategies to maintain current employer participation in the provision of health care coverage;

(6) strategies to coordinate the program with health care programs such as general assistance medical care, the University Hospital Papers program at the University of Minnesota hospitals, Minnesota comprehensive health association, medical assistance, Medicare, Minnesota catastrophic health expense protection program, and other similar programs;

(7) timelines for implementing the program, with specific implementation plans for the 1989 to 1991 biennium; and

(8) recommendations for legislation to implement the program.

The commissioner shall report to the legislature by November 1, 1988, on the plan to implement the program.

Sec. 12. [APPROPRIATION.]

The sum of \$200,000 is appropriated from the general fund to the commissioner of human services to administer sections 4 to 11."

Amend the title as follows:

Page 1, line 2, after "health;" insert "extending children's health plan; raising medical assistance income limits for pregnant women and children up to age one;"

Page 1, line 5, after the semicolon, insert "amending Minnesota Statutes 1987 Supplement, sections 256.936; and 256B.06, 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.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2192, A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 27, after "chapter," insert "other than section 169.67,"

Page 1, line 31, after "that" insert "motor carrier safety"

Page 4, line 10, delete "six" and insert "12"

Page 7, line 12, delete ", notwithstanding chapter 13"

Page 7, lines 13 and 14, delete "is" and insert "are"

Page 18, line 26, before the period insert ", and with the rules of the commissioner concerning inspections, vehicle and driver out-of-service restrictions and requirements, and vehicle, driver, and equipment checklists"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2193, A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons following a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, section 152.21, subdivision 6; 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

Reported the same back with the following amendments:

Page 4, after line 32, insert:

"If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 10 as soon as is reasonably possible."

Page 7, lines 23 and 24, delete "by clear and convincing evidence"

Page 11, line 24, delete "Three-fourths" and insert "Seventy percent"

Page 11, line 30, delete "one-fourth" and insert "20 percent"

Page 11, line 33, after the period insert "The remaining ten percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the crime victim and witness account established under section 609.101. Any local police relief association organized under chapter 423, which received or was entitled to receive the proceeds of any

sale made under this section before the effective date of sections 1 to 14, shall continue to receive and retain the proceeds of these sales."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2204, A bill for an act relating to obscenity; providing civil and equitable remedies against owners of businesses in which obscene materials or performances are sold or exhibited; proposing coding for new law in Minnesota Statutes, chapter 617.

Reported the same back with the following amendments:

Page 1, line 24, before "injunctive" insert "permanent"

Page 1, line 26, before "injunction" insert "permanent"

Page 2, line 3, after the period, insert "Personal service of the show cause order and of the petition, made as in civil actions, on the named respondents or upon any of their employees or agents found within the state, shall constitute sufficient notice. The show cause order for hearing may be returnable on the third day from the date of service as to a respondent who is present in this state, and on the fifth day as to a person not a resident or not found within this state. The hearing shall be held within 14 days of the date of service unless the respondent seeks a continuance of the hearing date."

Page 2, line 4, delete "an" and insert "a permanent"

Page 2, line 7, delete "\$10,000" and insert "\$1,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2210, A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

Reported the same back with the following amendments:

Page 1, line 9, delete "69N" and insert "60N"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2222, A bill for an act relating to human services; providing exceptions to the moratorium on beds in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, sections 252.291, subdivisions 1 and 2; and 256B.092, subdivisions 5 and 7; Minnesota Statutes 1987 Supplement, sections 252.291, subdivision 3; and 256B.501, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 15, after "established" insert "publicly or privately operated community"

Page 2, after line 36, insert:

"One-half of the first 70 newly constructed or newly established intermediate care beds for persons with mental retardation or related conditions approved by the commissioner under this subdivision in the biennium ending June 30, 1989, shall be state-operated community intermediate care beds for persons with mental retardation or related conditions. Funds appropriated to operate and expand state-operated community-based programs pilot projects pursuant to Laws 1987, chapter 403, article 1, section 2, subdivision 9, may be used to establish state-operated community intermediate care beds for persons with mental retardation or related conditions."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2228, A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 126.034, is amended to read:

126.034 [SCHOOL PREASSESSMENT TEAMS.]

Every public school, and every nonpublic school that participates in a school district chemical abuse program shall establish a chemical abuse preassessment team. The preassessment team must be composed of classroom teachers, administrators, and to the extent possible they exist in each school, school nurse, school counselor or psychologist, social worker, chemical abuse specialist, and other appropriate professional staff. The superintendents or their designees shall designate the team members in the public schools. The preassessment team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases.

Within 45 days after receiving an individual reported case the preassessment team shall make a determination whether to provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical abuse. Data may be disclosed without consent in health and safety emergencies pursuant to section 13.32 and applicable federal law and regulations.

Notwithstanding section 138.163, destruction of records identifying individual students shall be governed by this section. If the preassessment team decides not to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the determination is made. If the preassessment team decides to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the student is no longer enrolled in the district.

Sec. 2. Minnesota Statutes 1987 Supplement, section 126.035, is amended to read:

126.035 [SCHOOL AND COMMUNITY ADVISORY TEAM.]

The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical

abuse problems in the district. The school and community advisory team must be composed of representatives from the school preassessment team established in section 126.034, to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community. The community advisory team shall:

(1) build awareness of the problem within the community, identify available treatment and counseling programs for students and develop good working relationships and enhance communication between the schools and other community agencies; and

(2) develop a written procedure clarifying the notification process to be used by the chemical abuse preassessment team established under section 126.034 when a student is believed to be in possession of or under the influence of alcohol or a controlled substance. The procedure must include contact with the student, and the student's parents or guardian; and

(3) develop a written memorandum of understanding between school personnel and law enforcement agencies identifying when the school shall notify the local law enforcement agency that a violation of its drug and alcohol policy has occurred, and when the law enforcement agency shall notify the school chemical abuse preassessment team of incidents occurring off the school premises involving chemical abuse by students enrolled in that school pursuant to the possession or purchase of alcohol in violation of section 340A.503, subdivision 2 or 3, or in the case of controlled substances, a violation of section 152.09, subdivision 1 in the case of a minor student.

Sec. 3. [126.036] [LAW ENFORCEMENT RECORDS.]

A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.09, subdivision 1 or 340A.503, subdivision 1, 2, or 3. The notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the chemical abuse preassessment team in the school where the student is enrolled.

Sec. 4. Minnesota Statutes 1987 Supplement, section 126.037, is amended to read:

126.037 [REPORTING; CHEMICAL ABUSE.]

Subdivision 1. [TEACHER'S DUTY.] A teacher in a nonpublic school participating in a school district chemical use program, or a public school teacher, who knows or has reason to believe that a student is using, possessing, or transferring alcohol or a controlled

substance while on the school premises or involved in school-related activities, shall immediately notify the school's chemical abuse preassessment team of this information. A teacher who complies with this section shall be defended and indemnified under section 466.07, subdivision 1, in any action for damages arising out of the compliance.

Subd. 2. [OTHER REPORTS.] Nothing in this section prevents a teacher or any other school employee from reporting to a law enforcement agency any violation of law occurring on school premises or at school sponsored events.

Sec. 5. Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except by order of the juvenile court or except as required by a ~~written memorandum of understanding adopted under section 126.035~~ section 3 or as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

Sec. 6. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4, is repealed."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2233, A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 5, is amended to read:

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner by November 1, 1987, and at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per unit fixed costs. Recommended increases in payment rates for vendors whose approved payment rates are ten or more than ten percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3. If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Sec. 2. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. A variance can be utilized for costs associated with compliance with state administrative rules, compliance with court orders, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries, and transportation. The county board shall review all vendors' payment rates that are ~~20~~ ten or more than ten percent lower than the average rates for the regional development commission district to which the county belongs statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section.

This review must occur prior to November 1, 1987. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates to change the number of direct service staff or the level of qualifications of the staff.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards governing minimum staffing ratios and staff qualifications.

(4) The vendor documents that the change in staff numbers or qualifications changes cannot be achieved by reallocating current staff or by reallocating financial resources to provide or purchase the necessary services.

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, and how the county will monitor the use of funds by the vendor to make necessary changes in services. Allowable costs are limited to salaries, related fringe benefits, and payroll taxes.

(7) The county board's recommended payment rates do not exceed 125 percent of the average current calendar year's statewide median payment rates in the regional development commission district in which the vendor is located.

Sec. 3. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special

needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:

(1) revise administrative procedures as necessary;

(2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;

(3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and

(4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.

Sec. 4. [COMPLEMENT.]

The approved complement of the department of human services shall be increased by one full-time equivalent for the purposes of sections 1 to 3.

Sec. 5. [APPROPRIATION.]

\$ is appropriated to the commissioner of human services for the purposes of sections 1 to 3."

Delete the title and insert:

"A bill for an act relating to human services; revising procedures used for establishing rates for day training and habilitation services for persons with mental retardation or a related condition; appropriating money; amending Minnesota Statutes 1987 Supplement, section 252.46, subdivisions 5 and 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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2235, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 13.04, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN DATA IS NOT ACCURATE OR COMPLETE.] An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (a) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (b) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, and persuasion. If the parties agree, the commissioner may also refer the matter to mediation. Upon written agreement of the parties, the commissioner may dismiss an appeal.

Sec. 2. Minnesota Statutes 1986, section 13.67, is amended to read:

13.67 [EMPLOYEE RELATIONS DATA.]

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and

conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; and

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations; and

(e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance plan as defined in chapter 43A and survey information collected from employees and employers participating in these plans, except when the department determines that release of the data will not be detrimental to the plan.

Sec. 3. Minnesota Statutes 1986, section 13.791, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Unless the data is summary data or is otherwise classified by statute or federal law, all data collected and maintained by the department of jobs and training that pertain to individuals applying for or receiving rehabilitation services is private data on individuals. The commissioner of jobs and training may release the name, business address, and business telephone number of an individual licensed under section 248.07, subdivision 8.

Sec. 4. [13.792] [MINNESOTA ZOOLOGICAL GARDEN DATA.]

The following data maintained by the Minnesota Zoological Garden are classified as private or nonpublic:

(1) research information gathered on prospects and donors to aid in determining appropriateness of solicitation and level of gift request;

(2) specific data in prospect lists that would identify prospects to be solicited, dollar amounts to be requested, and name of solicitor;

(3) portions of solicitation letters and proposals that identify the prospect being solicited and the dollar amount being requested;

(4) letters, pledge cards, and other responses received from prospective donors in response to solicitations;

(5) portions of thank-you letters and other gift acknowledgement communications which would identify the name of the donor and the specific amount of the gift, pledge, or pledge payment; and

(6) data detailing dates of gifts and specific gift amounts made by donors to the Minnesota zoo, except that the zoo will continue to publish names of donors and gift ranges as is the accepted practice in the fund-raising business.

Sec. 5. Minnesota Statutes 1986, section 13.84, subdivision 5, is amended to read:

Subd. 5. [DISCLOSURE.] Private or confidential court services data shall not be disclosed except:

(a) Pursuant to section 13.05;

(b) Pursuant to a statute specifically authorizing disclosure of court services data;

(c) With the written permission of the source of confidential data;

(d) To the court services department, parole or probation authority or correctional agency having statutorily granted supervision over the individual subject of the data; or

(e) Pursuant to subdivision 5a; or

(f) Pursuant to a valid court order.

Sec. 6. Minnesota Statutes 1986, section 13.84, is amended by adding a subdivision to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a court services department, parole or probation authority, or correctional agency may make private or confidential court services data related to criminal acts accessible to any law enforcement agency, or to the victim of a criminal act where the access will aid the victim in asserting the victim's legal rights.

Sec. 7. Minnesota Statutes 1986, section 13.84, is amended by adding a subdivision to read:

Subd. 5b. [EXCHANGES OF INFORMATION.] Nothing in this chapter prohibits the exchange of information by court services agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation.

Sec. 8. Minnesota Statutes 1986, section 13.85, is amended by adding a subdivision to read:

Subd. 5. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of any agency which maintains corrections and detention data may make private or confidential corrections and detention data accessible to any law enforcement agency, or to the victim of a criminal act where the access will aid the victim in asserting the victim's legal rights.

Sec. 9. Minnesota Statutes 1986, section 138.17, is amended by adding a subdivision to read:

Subd. 9. [CHALLENGED DATA.] Data on individuals, that has been successfully challenged by an individual under the provisions of section 13.04, subdivision 4, may be altered, modified, or destroyed by a state agency, political subdivision, or statewide system without regard to the requirements of this section.

After altering, modifying, or destroying successfully challenged data, a state agency, political subdivision, or statewide system may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

If the individual subsequently files a civil action against the state agency, political subdivision, or statewide system, in which the altered, modified, or destroyed data may affect the outcome of the legal action, the state agency, political subdivision, or statewide system may offer the order or summary into evidence. This offering will raise a presumption that any dispute over the facts that might be resolved by the data which was altered, modified, or destroyed because of the individual's challenge, must be resolved in favor of the state agency, political subdivision, or statewide system unless the individual offers clear and convincing evidence to the contrary.

Sec. 10. Minnesota Statutes 1986, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] (a) Upon request, a provider shall

supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

(b) Upon a patient's written request, a provider, at a reasonable cost to the patient, shall furnish to the patient (1) copies of the patient's health record, including but not limited to laboratory reports, X-rays, prescriptions, and other technical information used in assessing the patient's health condition, or (2) the pertinent portion of the record relating to a specific condition, or (3) specified by the patient. With the consent of the patient, the provider may instead furnish only a summary of the record.

(c) If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to inflict self harm, or to harm another, the provider may withhold the information from the patient and may supply the information to an appropriate third party or to another provider, as defined in subdivision 1, clause (b)(1). The other provider or third party may release the information to the patient.

(d) A provider as defined in subdivision 1, clause (b)(2), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described a specific basis for withholding the information as authorized by paragraph (c).

Sec. 11. Minnesota Statutes 1986, section 171.12, is amended by adding a subdivision to read:

Subd. 3a. [RECORD DESTROYED WHEN REVOCATION OR SUSPENSION RESCINDED.] Notwithstanding subdivision 3 or section 138.163, when an order for revocation of a driver's license is rescinded or an order for suspension of a driver's license is rescinded, the commissioner shall destroy all records of the revocation or suspension.

Sec. 12. Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, or except (2) as required by a written memorandum of understanding adopted under section 126.035, or (3) as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be

taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

Sec. 13. Minnesota Statutes 1986, section 363.061, is amended by adding a subdivision to read:

Subd. 4. [CHARGING PARTY ACCESS.] Data, comprised of materials and documentation provided by a charging party that is part of either an open or closed case file, shall be accessible by the charging party in accordance with section 13.04, subdivision 3. The charging party may also consent to the release of this data to the charging party's attorney or other legal representative."

Delete the title and insert:

"A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; requiring the commissioner of administration to resolve disputes relating to data accuracy or completeness; making certain court services data relating to criminal acts accessible to law enforcement agencies; making certain corrections and detention data accessible to law enforcement agencies; authorizing certain data successfully challenged by an individual to be destroyed; requiring the commissioner of public safety to destroy records of revocation or suspension of a driver's license when revocation or suspension orders are rescinded; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 13.67; 13.791, subdivision 1; 13.84, subdivision 5, and by adding subdivisions: 13.85, by adding a subdivision; 138.17, by adding a subdivision; 144.335, subdivision 2; 171.12, by adding a subdivision; 363.061, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2242, A bill for an act relating to health; creating an exception to the nursing home moratorium to allow beds to be moved from a separate nursing home to a building formerly used as a

hospital; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Reported the same back with the following amendments:

Page 5, after line 29, insert:

"Sec. 2. Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended by Laws 1987, chapter 75, section 1, is amended to read:

Subdivision 1. [RESTRICTED CONSTRUCTION OR MODIFICATION.] Through June 30, 1990, the following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied prior to the date of enactment of this act if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site prior to the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another, or (iii) redistribution of hospital beds within the state or a region of the state; or

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building; or

(9) construction by a psychiatric hospital in Rice county which primarily serves adolescents and which receives more than 70 percent of its patients from outside the state of Minnesota."

Renumber the remaining section

Amend the title as follows:

Page 1, line 6, before the period insert "; and Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2244, A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, section 473.249, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall determine priorities for loans and administer the fund in a manner consistent with the council's transportation policies and highway system plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount ~~that a metropolitan area tax levy of 5/100 of a mill would raise in~~ of the authorized levy for that year.

Sec. 2. Minnesota Statutes 1986, section 473.167, is amended by adding a subdivision to read:

Subd. 4. [LEVY INCREASE.] For taxes payable in 1989, the levy limit established in subdivision 3 for that year is multiplied by two. The payable 1989 levy limit established by this subdivision must be adjusted for subsequent years as otherwise provided in this section.

Sec. 3. Minnesota Statutes 1986, section 473.249, is amended by adding a subdivision to read:

Subd. 3. [LEVY LIMIT.] Notwithstanding any other provision of this section, effective for property taxes payable in 1989 and subsequent years, the total amount of dollars levied by the council for general purposes under this section in any year may not increase over the amount levied in the preceding year by a percentage greater than the percentage increase during the most recent 12-month period in the implicit price deflator for state and local government purchases of goods and services.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington for property taxes levied in 1988 and payable in 1989 and subsequent years."

Delete the title and insert:

"A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, sections 473.167, subdivision 2, and by adding a subdivision; and 473.249, by adding a subdivision."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2255, A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Reported the same back with the following amendments:

Page 5, after line 3, insert:

"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 Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2269, A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, sections 62A.15, subdivisions 1, 2, and 4; 148.08, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete lines 4 to 7, and insert:

"This subdivision is intended to provide equal access to benefits for insureds and subscribers who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in these policies or contracts."

Page 2, delete lines 16 to 22

Page 2, line 23, delete "(c)" and insert "(b)" and after "make" insert "claim"

Page 2, line 24, after "quality," insert "or"

Page 2, line 25, delete ", and cost" and after "care," insert "any of"

Page 2, line 26, after "determinations" insert "that are made by health care professionals" and after "by" insert ", or under the direction of, or subject to the review of"

Page 3, line 6, delete "Chiropractors from outside the United"

Page 3, delete line 7

Page 3, line 8, delete "of origin and college of chiropractic have" and insert "The board may issue licenses to practice chiropractic

without compliance with prechiropractic or academic requirements listed above if in the opinion of the board the applicant has the qualifications equivalent to those required of other applicants, the applicant satisfactorily passes written and practical examinations as required by the board of chiropractic examiners, and the applicant is a graduate of a college of chiropractic with"

Page 4, line 5, strike "or country"

Page 4, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 2a, is amended to read:

Subd. 2a. [PHYSICIAN'S OR CHIROPRACTOR'S STATEMENT.] The commissioner shall develop a form for the physician's or chiropractor's statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant's eligibility. The physician's statement that the applicant is a physically handicapped person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

Sec. 6. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically handicapped applicant submits a physician's statement of a physician or chiropractor. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's or chiropractor's statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's or chiropractor's statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons, the division may issue without charge a special identifying

certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate."

Amend the title as follows:

Page 1, line 6, delete "148.08, by adding a subdivision;"

Page 1, line 7, delete "section" and insert "sections" and before the period insert "; and 169.345, subdivisions 2a and 3"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2275, A bill for an act relating to health; extending foster care insurance to providers of adult foster care; appropriating money; amending Minnesota Statutes 1986, section 245.814, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Page 1, lines 13 and 14, delete "under chapter 245A"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2278, A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2281, A bill for an act relating to the military; providing a state bonus for national guard service; providing tuition reimbursement to members of the national guard; appropriating money; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 192.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2298, A bill for an act relating to agriculture; prohibiting the sale of irradiated foods; proposing coding for new law in Minnesota Statutes, chapter 31.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2307, A bill for an act relating to health; establishing a

safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 144.382, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 144.381 to 144.387, and section 2, the following terms have the meanings given.

Sec. 2. [144.389] [SAFE DRINKING WATER ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The safe drinking water account is established as a special account in the state treasury. The safe drinking water account shall consist of money appropriated to the commissioner for the account.

Subd. 2. [APPROPRIATION AND USE.] Money in the safe drinking water account is continuously appropriated to the commissioner. The money must be used to support the safe drinking water program, including administration, inspections, training, laboratory analyses, and enforcement. The money does not cancel, but is available until expended.

Sec. 3. Minnesota Statutes 1986, section 326.371, is amended to read:

326.371 [BAN ON LEAD IN PLUMBING.]

Lead pipe, solders, and flux containing more than 0.2 percent lead, and pipes and pipe fittings containing more than eight percent lead shall not be used in any plumbing installation which conveys a potable water supply. A Minnesota seller of lead solder, except for a seller whose primary business is contracting in plumbing, heating, and air conditioning, shall not sell any solder containing 0.2 percent lead unless the seller displays a sign which states,

“Contains Lead

Minnesota law prohibits the use of this solder in any plumbing installation which is connected to a potable water supply.”

Sec. 4. [APPROPRIATION.]

\$1,485,000 is appropriated from the general fund to the commissioner of health for the safe drinking water account established in section 2.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 144.388, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1988."

Amend the title as follows:

Page 1, lines 5 and 6, delete " , 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.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2308, A bill for an act relating to insurance; establishing the insurance consumers board; giving the board authority to collect and disseminate information; establishing a surcharge on insurance contracts; appropriating money collected by the surcharge to the board; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 4, line 20, after "[SURCHARGE.]" insert "(a) Every insurance contract sold or renewed that requires a total annual premium payment of \$200 or more must include a surcharge of 50 cents."

Page 4, line 20, delete "(a)" and insert "(b)"

Page 4, line 24, delete "(b)" and insert "(c)"

Page 4, delete lines 31 to 33, and insert:

"\$ is appropriated to the board to implement the provisions of sections 2 to 5."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2309, A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, line 25, after the period insert "For the purposes of sections 1 to 5, the term "farm equipment manufacturer" shall include any successor in interest of the farm equipment manufacturer, including any purchaser of assets or stock, any surviving corporation resulting from a merger or liquidation, any receiver or assignee, or any trustee of the original farm equipment manufacturer."

Page 2, line 22, after "(1)" insert "without the consent of the farm equipment manufacturer who shall not withhold consent unreasonably (a)"

Page 2, line 23, delete "without the manufacturer's"

Page 2, line 24, delete "consent" and after "or" insert "(b)"

Page 2, line 26, after "or" insert "(c)"

Page 2, line 27, delete "without"

Page 2, line 28, delete "the consent of the manufacturer"

Page 3, line 17, delete "has consistently failed to"

Page 3, line 18, delete "meet the manufacturer's" and insert "after receiving notice from the manufacturer of its"

Page 3, line 20, after "areas" insert "consistently fails to meet the manufacturer's market penetration requirements"

Page 5, after line 3, insert:

"Sec. 7. [325E.067] [APPLICABILITY.]

The provisions of sections 1 to 5 shall apply to all dealership agreements now in effect which have no expiration date and which are continuing contracts, and all other contracts entered into, amended, or renewed after July 31, 1988. Any contract in force and effect on August 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed is governed by the law as it existed before August 1, 1988."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2318, A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Reported the same back with the following amendments:

Page 1, line 23, after "50" insert "licensed"

Page 1, line 25, before the period insert "as determined by the 1980 federal census"

Page 2, line 22, delete "preferred provider arrangements" and insert "agreements with health plans"

Page 2, line 31, delete "commissioner of health" and insert "economic development fund"

Page 3, line 7, delete "466A.08" and insert "446A.08"

Page 3, after line 16, insert:

"\$ is appropriated from the economic development fund to the commissioner of health for the purposes of section 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2327, A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [135A.20] [UNIVERSITY CENTER AT ROCHESTER.]

Subdivision 1. [ESTABLISHMENT.] A university center at Rochester is established to meet the needs for higher education in the greater Rochester area. The center shall be under the general supervision and control of a board consisting of the following:

(1) one member appointed by the board of regents of the University of Minnesota;

(2) one member appointed by the state university board;

(3) one member appointed by the state board for community colleges;

(4) one member appointed by the state board of vocational technical education; and

(5) five members, appointed by the governor, who reside in the Rochester area.

No member appointed by a board may be a resident of the Rochester area.

Subd. 2. [POWERS.] The board shall direct the operations of the center and may expend money appropriated to it. The board shall appoint an administrator for the center and may employ other staff as necessary. The board has the general powers of a public corporation including the powers to contract, to sue and be sued, to acquire, hold, and convey real property, and to do anything incident to its other needed powers. Chapter 14 does not apply to any policies and procedures adopted by the university center at Rochester.

Subd. 3. [ADVISORY COMMITTEE.] The board shall appoint an advisory committee to provide assistance in performing its duties.

Subd. 4. [NONINSTRUCTIONAL EMPLOYEES.] The board may employ and assign duties to noninstructional support employees, subject to chapter 43A. The board may also enter into agreements with other public post-secondary institutions for the purpose of providing noninstructional personnel services. Employees hired or assigned under this subdivision shall be in the classified service.

Sec. 2. [APPROPRIATION.]

The sum of \$ is appropriated from the general fund to the board of the university center at Rochester for fiscal year 1989."

Delete the title and insert:

"A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2331, A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2341, A bill for an act relating to family law; regulating child support; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 518.613, is amended by adding a subdivision to read:

Subd. 5. [WAIVER.] The court shall waive automatic income withholding only if all parties to the proceeding agree to the waiver and the court finds it is in the best interest of the parties and children, if any. The agreement not to withhold may be revoked by a party at any time that the payment is not received within ten days of the due date. Notice of revocation must be served by mail on the other party and on the public authority. The public authority must also be served with a copy of the order establishing the child support or maintenance obligation and an application for child support and maintenance collection services. Upon receipt of the notice of revocation, the public authority shall serve a notice of the court's order requiring the amount of child support or maintenance to be withheld and the provisions of sections 518.611 and 518.613 on the obligor's employer or other payor of funds.

Sec. 2. [518.614] [ESCROW ACCOUNT; CHILD SUPPORT; MAINTENANCE OBLIGATION.]

Subdivision 1. [STAY OF SERVICE.] The court shall stay service of the order under section 518.613, subdivision 2, in a county in which that section applies if the obligor establishes a savings account for a sum equal to two months of the monthly child support or maintenance obligation and provides proof of the establishment to the public authority on or within one business day of the court hearing determining the obligation. This sum must be held in a financial institution in an interest-bearing account with only the public authority authorized as drawer of funds. Proof of the establishment must include the financial institution name and address, account number, and the amount of deposit.

Subd. 2. [RELEASE OF STAY.] The public authority shall direct the financial institution to release to the public authority the sum held under this subdivision when the following conditions are met:

(1) the obligor fails to pay the support amount to the obligee or the public authority within ten days of the date it is ordered to be paid;

(2) the obligee transmits a notice of default to the public authority and makes application to the public authority for child support and maintenance collection services. The notice must be verified by the obligee and must contain the title of the action, the court file number, the full name and address of the obligee, the name and last known address of the obligor, the obligor's last known employer or other payor of funds, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid; and

(3) the public authority sends a copy of the notice of default and a notice of intent to implement income withholding by mail to the

obligor at the address given. The notice of intent shall state that the order establishing the support or maintenance obligation will be served on the obligor's employer or payor of funds unless within 15 days after the mailing of the notice the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee.

Subd. 3. [DUTIES OF PUBLIC AUTHORITY.] Upon receipt of sums released under subdivision 2, the public authority shall remit to the obligee all amounts not assigned under section 256.74 as current support or maintenance. The public authority shall also serve a copy of the court's order and the provisions of section 518.611 and this section on the obligor's employer or other payor of funds unless within 15 days after mailing of the notice of intent to implement income withholding the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee. The public authority shall instruct the employer or payor of funds pursuant to section 518.611 as to the effective date on which the next support or maintenance payment is due. The withholding process must begin on said date and shall reflect the total credits of principle and interest amounts received from the escrow account.

Subd. 4. [HEARING.] Within 30 days of the date of the notice of default under subdivision 2, clause (2), the court must hold a hearing requested by the obligor. If the court finds that there was a default, the court shall order the immediate withholding of support or maintenance from the obligor's income. If the court finds that there was no default, the court shall order the reestablishment of the escrow account by either the obligee or obligor and continue the stay of income withholding.

Subd. 5. [TERMINATION OF STAY.] When the obligation for support of a child or for spousal maintenance ends under the terms of the order or decree establishing the obligation and the sum held under this section has not otherwise been released, the public authority shall release the sum and interest to the obligor when the following conditions are met:

(1) the obligor transmits a notice of termination to the public authority. The notice shall be verified by the obligor and contain the title of the action, the court file number, the full name and address of the obligee, specify the event that ends the support or maintenance obligation, the effective date of the termination of support or maintenance obligation, and the applicable provisions of the order or decree that established the support or maintenance obligation;

(2) the public authority sends a copy of the notice of termination to the obligee; and

(3) the obligee fails within 20 days after mailing of the notice under clause (2) to request a hearing on the issue of whether the support or maintenance obligation continues and serve notice of the request for hearing on the obligor and the public authority.

Sec. 3. [REPORT.]

The report of the commissioner pursuant to Laws 1987, chapter 403, section 93, shall include data on the costs associated with administering the automatic income withholding program and shall separately identify case statistics and costs associated with implementation of the waiver and escrow options.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Child support and maintenance obligors subject to automatic income withholding on or before the effective date may elect, at any time prior to January 1, 1989, to place money in escrow under section 2 and have the public authority direct the employer or payor of funds to terminate the automatic income withholding process."

Delete the title and insert:

"A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2349, A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; specifying the amount above appraised value that the commissioner may pay when acquiring land; transferring certain duties of county auditors and treasurers relating to the sale of state land to the commissioner; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; amending Minnesota Statutes 1986,

sections 84.027, by adding a subdivision; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.50, subdivision 1; 94.343, subdivision 3; and 94.348; Minnesota Statutes 1987 Supplement, section 84.0272; repealing Minnesota Statutes 1986, section 92.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 84.027, is amended by adding a subdivision to read:

Subd. 10. [SALE OF SURPLUS LANDS TO LOCAL GOVERNMENTS FOR RECREATIONAL OR NATURAL RESOURCES PURPOSES.] (a) The commissioner, with the approval of the state executive council, may sell the class of land or interest in land under paragraph (b) to a county, home rule charter or statutory city, town, or other governmental subdivision of the state for public use, including recreational or natural resource purposes.

(b) The commissioner may sell the class of land or interest in land that has been acquired by gift, purchase, or eminent domain and the commissioner has declared surplus. The commissioner shall declare land surplus in writing and state the reasons why the land or interest in land is no longer needed.

(c) The commissioner shall appraise the land or interest in land before the land or interest in land is sold, and may sell the land or interest in land for less than the appraised value if the commissioner determines, in writing, that it is in the public interest.

(d) The commissioner shall convey the state's interest in the name of the state by quitclaim deed in a form approved by the attorney general. The deed must reserve to the state minerals and mineral rights in the manner provided in sections 93.01 and 93.02, and provide that the land or interest in land reverts to the state if the governmental subdivision acquiring the land or interest in land:

(1) fails to provide the public use intended on the property;

(2) allows a public use other than the public use agreed to by the commissioner at the time of conveyance without the written approval of the commissioner; or

(3) abandons the public use of the property.

Sec. 2. Minnesota Statutes 1986, section 84.631, is amended to read:

84.631 [ROAD EASEMENTS ACROSS TRAILS ESTABLISHED ON ACQUIRED RAILROAD RIGHTS-OF-WAY STATE LANDS.]

The commissioner, on behalf of the state, may convey a road easement across any abandoned railroad right-of-way which has been acquired by the state for trail purposes, and which is state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) alternative methods to obtain access to the property have been sought and exhausted by the person seeking the easement through the establishment of a town or other local government road; and (2) the commissioner determines that the hardship to the person being deprived of access outweighs any adverse effects to the state-owned land caused by encumbering the state-owned land with a road easement. On determining that an easement will be granted under this subdivision, The commissioner shall:

(1) require the applicant to pay the market value of the easement, and shall;

(2) provide in that the easement that it shall revert reverts to the state in the event of nonuse. The commissioner may; and

(3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

Sec. 3. [84.632] [CONVEYANCE OF UNNEEDED STATE FLOWAGE EASEMENTS.]

(a) Notwithstanding section 92.45, the commissioner of natural resources may, in the name of the state, release a flowage easement acquired by the state to a landowner whose property is burdened with the flowage easement if the flowage easement is not needed for state purposes.

(b) The entire, or a portion of a, flowage easement may be released by payment of consideration in an amount determined by the commissioner. The conveyance must be by quitclaim deed in a form approved by the attorney general.

(c) Money received for the flowage easement shall be deposited in the account from which money was expended for purchase of the flowage easement.

Sec. 4. Minnesota Statutes 1986, section 85.015, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] (a) The commissioner of natural resources shall establish, develop, maintain, and operate the trails

designated in this section. Each trail shall have the purposes assigned to it in this section. The commissioner of natural resources may acquire lands by gift or purchase, in fee or easement, for the trail and facilities related to the trail.

(b) The commissioner of natural resources, in the name of the state, may sell surplus lands not needed for trail purposes to adjoining property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the appraised value.

Sec. 5. [92.025] [SCHOOL TRUST LAND DEFINITION.]

For purposes of chapters 92 and 94, "school trust land" means land granted by the United States for use of schools within each township, swampland granted to the state, and internal improvement land that are reserved for permanent school fund purposes under the Minnesota Constitution, article XI, section 8, and land exchanged, purchased, or granted to the permanent school fund.

Sec. 6. Minnesota Statutes 1986, section 92.16, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; DEFAULT, RESALE.] At the time of the sale the commissioner shall execute, acknowledge, and deliver to the purchaser a certificate of sale, numbered and made assignable, certifying the description of the land sold, its quantity, the price per acre, the consideration paid and to be paid, and the time and terms of payment. A certificate must not be delivered until the sum required by law to be paid at the time of the sale is paid to the treasurer of the county where the sale takes place. The sum includes costs determined by the commissioner to be associated with the sale such as survey, appraisal, publication, deed tax, filing fee, and similar costs. If the purchaser fails to pay the sum, the commissioner may immediately reoffer the land for sale, but no a bid may not be received accepted from the person so failing to pay the original offer.

Sec. 7. Minnesota Statutes 1986, section 92.23, is amended to read:

92.23 [PAYMENTS; RECEIPTS; LIABILITY OF OFFICIALS.]

The holder of a certificate of sale may pay the treasurer of the county containing the land commissioner any amount due on the certificate. The treasurer commissioner shall issue quadruplicate duplicate receipts specifying the date, the name and address of the person making the payment, the amount paid, whether for principal or interest, the fund to which it is applicable, and the number of the certificate. The receipt must be countersigned by the auditor of the county, and has the same effect as if given by the state treasurer. The

county treasurer commissioner shall deliver one copy to the holder of the certificate, one to the county auditor, one to the commissioner, and retain one copy.

The liability under the official bonds of county treasurers and of their deputies and employees includes liability for the faithful performance of their duties under this section.

Sec. 8. Minnesota Statutes 1986, section 92.24, is amended to read:

92.24 [MONEY PAID TO STATE TREASURER.]

The county treasurer must hold commissioner shall pay over all money received on account of certificates of sale subject to the order of the state treasurer for deposit as required by section 92.28 and other applicable laws. On June 30 and December 31 each year and at other times when requested by the state treasurer, the county treasurer shall pay into the state treasury the money received since the last payment.

Sec. 9. Minnesota Statutes 1986, section 92.26, is amended to read:

92.26 [STATEMENT OF SALES.]

Before May 2 each year the director commissioner shall transmit to each county treasurer who has executed and returned bond prepare a statement showing the lands sold in that each county, the classes to which they belong, the numbers of the certificates of sale, the name of the persons to whom each was issued, and the amount of principal and interest due on each certificate on June 1. The director commissioner shall provide instructions and forms to enable the treasurer to carry out this chapter forward copies of the statement to the governor and to the commissioner of finance.

Sec. 10. Minnesota Statutes 1986, section 92.27, is amended to read:

92.27 [COUNTY AUDITORS; DUTIES AND POWERS COMMISSIONER'S REPORT ON CLOSE OF SALE.]

At the time required by law to return abstracts of settlement to the commissioner or at any other time requested by the commissioner, the county auditor shall forward to the commissioner all duplicate receipts of principal, interest, or penalties delivered to the auditor, with a certified statement of collections by the county treasurer. The certified statement must specify the amount of each item. The county auditor commissioner or the commissioner's designated agent shall act as clerk of land sales made by the commis-

sioner and may make sales when authorized by the commissioner, in which case the auditor's deputy shall act as clerk. Immediately after the close of all sales, the county auditor commissioner shall prepare a report to the commissioner the description of describing each tract sold, the amount for which it was sold, and the amount paid. For each day while so engaged the county auditor shall be paid \$3. Payment must be made out of any appropriation for the appraisal and sale of these lands.

Sec. 11. Minnesota Statutes 1986, section 92.29, is amended to read:

92.29 [LAND PATENTS.]

The governor commissioner of natural resources shall sign and issue, in the name of the state and under the seal of the state, attested by the commissioner, a patent for the land described in any certificate of sale when it is presented endorsed with the certificate of the commissioner (1) that the principal and interest specified in it the certificate of sale and all taxes due on this the land have been paid and (2) that. The patent should issue shall be issued to the named patentee. The patentee shall be the purchaser named in the certificate of sale, or the purchaser's successor in interest by execution, judicial, mortgage or tax sale, or the assignee, vendee, heir or devisee of the purchaser, as shown by a properly certified abstract of title or other evidence if the named patentee purchaser's successor is any a person other than the original purchaser named in the certificate of sale. If the certificate of sale has become lost or destroyed, an affidavit stating that fact must be submitted by the applicant for a patent.

Sec. 12. Minnesota Statutes 1986, section 92.50, subdivision 1, is amended to read:

Subdivision 1. [LEASE TERMS.] (a) The commissioner of natural resources may lease, at public or private vendue and at the prices and under the terms and conditions the commissioner may prescribe, any state-owned lands land under the commissioner's jurisdiction and control for the purpose of taking and removing:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt, for storing;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads; or

(4) for any other uses consistent with the interests of the state. Except as otherwise provided in this subdivision, the term of

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat must be approved by the executive council.

(c) The lease term may not exceed ten years- except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or 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;

(2) leases for the use of peat lands for agricultural purposes may not exceed 21 years; and

(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

All (d) 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 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 and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 13. Minnesota Statutes 1986, section 94.342, subdivision 3, is amended to read:

Subd. 3. [CLASS C.] ~~No land specifically designated by law as a state park shall be given in exchange hereunder unless expressly authorized by the legislature. No Land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law shall is Class C land. Class C land may not be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by Minnesota Statutes 1945, section 92.45, and that~~

there shall be reserved by the state such additional rights of public use upon suitable portions of of such state land as the commissioner of natural resources, with the approval of the land exchange board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses.

Sec. 14. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 4. [STATE PARK LAND.] Land specifically designated by law as a state park may not be given in exchange unless the land is school trust land that is exchanged for Class A or Class C land located outside a state park.

Sec. 15. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 5. [SCHOOL TRUST LAND.] School trust land may be exchanged with other state land only if the permanent school fund advisory committee is appointed as temporary trustee of the school trust land for purposes of the exchange. The committee shall provide independent legal counsel to review exchanges.

Sec. 16. Minnesota Statutes 1986, section 94.343, subdivision 3, is amended to read:

Subd. 3. Except as otherwise herein provided, Class A land shall be exchanged only for land of at least substantially equal value to the state, as determined by the commissioner, with the approval of the board. For the purposes of such determination, the commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and appraised by qualified state appraisers as provided in section 92.12 in like manner as state school trust land to be offered for sale; provided, that in exchanges with the United States or any agency thereof the examination and appraisal may be made in such manner as the land exchange board may direct. The appraisers shall determine the fair market value of the lands involved, disregarding any minimum value fixed for state land by the state constitution or by law, and shall make a report thereof, together with such other pertinent information respecting the use and value of the lands to the state as they deem pertinent or as the commissioner or the board may require. Such reports shall be filed and preserved in the same manner as other reports of appraisal of state lands. The appraised values shall not be conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.

Sec. 17. Minnesota Statutes 1986, section 94.344, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise ~~herein~~ provided, ~~any~~ Class B land ~~may~~, by resolution of the county board of the county ~~in which~~ where the land is ~~situated~~ located and with the unanimous approval of the land exchange board, ~~may~~ be exchanged for land of the United States ~~any publicly held or privately owned land in the same county in the manner and subject to the conditions herein prescribed.~~

Sec. 18. Minnesota Statutes 1986, section 94.348, is amended to read:

94.348 [EXCHANGES OF STATE OWNED LAND, APPRAISAL FEE.]

Subdivision 1. Whenever a private land owner or governmental unit, ~~except the state,~~ presents to the Minnesota land exchange board, an offer to exchange private or publicly held land for Class A state-owned land as defined in section 94.342, the private land owner ~~shall deposit with~~ or governmental unit shall pay to the board an appraisal and survey fee of not less than \$25 nor more than \$100, the amount to be one-half of the cost of appraisal and survey determined by the board, ~~depending upon the area of land involved in the offer.~~

Subd. 2. ~~If the offer of the private land owner is accepted by the board and the land exchange is consummated, or, if the board refuses to accept the offer the appraisal fee shall be refunded, otherwise the appraisal [APPRAISAL AND SURVEY FEE.] (a) Except as provided in paragraph (b), the appraisal and survey fee shall be retained by the board.~~

(b) The appraisal and survey fee shall be refunded if:

(1) the land exchange offer is withdrawn by a private land owner or a governmental unit before money is spent for the appraisal and survey; or

(2) the board refuses to accept the land exchange offer.

Sec. 19. Minnesota Statutes 1987 Supplement, section 105.392, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND HELP TO OWNER.] In return for the easement of the owner, the commissioner must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. The commissioner must make the following payments to the landowner for the easement:

(1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established

by the commissioner of revenue for the time period when the application is made;

(2) for an easement of limited duration, a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue 65 percent of the value of the permanent easement value for the time period when the application is made; or

(3) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

Sec. 20. [REPEALER.]

Minnesota Statutes 1986, section 92.25, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 6 to 10 and 20 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027; by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivision 3; 94.344, subdivision 1; 94.348; Minnesota Statutes 1987 Supplement, section 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2356, A bill for an act relating to appropriations; appropriating money for grants to agricultural societies and associations.

Reported the same back with the following amendments:

Page 1, line 7, delete "\$363,300" and insert "\$120,000"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2359, A bill for an act relating to public employment; regulating hearing panels under the veterans preference act; amending Minnesota Statutes 1986, section 197.46.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2364, A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a delivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 17, delete "delivery" and insert "redelivery"

Page 3, line 21, delete "DELIVERY" and insert "REDELIVERY"

Page 3, line 24, delete "delivery" and insert "redelivery"

Page 3, line 28, delete "delivery" and insert "redelivery"

Page 3, line 30, delete "delivery" and insert "redelivery"

Page 3, line 31, delete "delivery" and insert "redelivery"

Amend the title as follows:

Page 1, line 5, delete "delivery" and insert "redelivery"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2368, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, affectional or sexual orientation, or national origin; amending Minnesota Statutes 1986, sections 609.223; 609.605, by adding a subdivision; 609.79, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 609.595, subdivisions 2, 3, and by adding a subdivision; 609.746, by adding a subdivision; and 609.795.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

It is the purpose and intent of the legislature in enacting sections 1 to 10 to increase criminal penalties for the criminal acts enumerated in sections 1 to 10 when it can be proven beyond a reasonable doubt that the defendant committed the act because of the victim's race, color, religion, sex, sexual orientation, or national origin.

Sec. 2. Minnesota Statutes 1986, section 609.015, is amended by adding a subdivision to read:

Subd. 1a. The inclusion of sexual orientation as a category of motivation in sections 1 to 10 is not itself grounds for the creation of new rights and privileges based on sexual orientation.

Sec. 3. Minnesota Statutes 1986, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to impris-

onment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever does either of the following is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both:

(1) assaults another because of the victim's race, color, religion, sex, sexual orientation, or national origin and inflicts demonstrable bodily harm; or

(2) violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a).

Sec. 4. Minnesota Statutes 1987 Supplement, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's race, color, religion, sex, sexual orientation, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 5. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND THIRD DEGREE.] (a) Except as otherwise provided in section 4, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than

\$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 6. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~THIRD~~ FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under ~~any other~~ circumstances other than those described in section 4 or subdivision 2 is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1986, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] Whoever commits an act described in subdivision 1, clause (13) because of the property owner's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1987 Supplement, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 2 because of the victim's race, color, religion, sex, sexual orientation, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1986, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE TELEPHONE CALLS; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 1 because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 10. Minnesota Statutes 1987 Supplement, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANOR.] Whoever commits an act described in subdivision 1, clause (3), because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective August 1, 1988, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 6, delete "609.223" and insert "609.015, by adding a subdivision; 609.2231, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2391, A bill for an act relating to metropolitan government; providing a salary for a part-time chair of the regional transit board; amending Minnesota Statutes 1987 Supplement, section 15A.081, subdivisions 1 and 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2394, A bill for an act relating to state government; requiring the governor to appoint charitable gambling control board members from fraternal, religious, veteran's, and other nonprofit organizations; amending Minnesota Statutes 1986, section 349.151, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 11, before "The" insert "(a)"

Page 1, line 21, before "Of" insert "(b)" and delete "four" and insert "three"

Page 2, line 1, before "A" insert "(c)"

Page 2, line 12, after the period insert "Of the appointments made by the governor for terms expiring June 30, 1991, June 30, 1992, and June 30, 1993, at least one appointment in each group of appointments must be an appointment complying with the requirements of paragraph (b)."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2413, A bill for an act relating to health; establishing the Minnesota Institute for Addiction and Stress Research; proposing coding for new law as Minnesota Statutes, chapter 152A.

Reported the same back with the following amendments:

Page 2, line 8, delete "initially"

Page 3, line 4, after the period insert "The president and no more than two subordinate officers shall be in the unclassified service."

Page 3, line 8, after "(b)" insert "Subject to chapters 43A and 179A,"

Page 3, line 10, delete "2 officers, and"

Page 3, line 11, delete "directors" and delete "not" and delete "but, at the"

Page 3, line 12, delete "board's option, may" and insert "and shall"

Page 3, lines 14 and 15, delete "in the unclassified service"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2414, A bill for an act relating to Ramsey county; removing references to personnel from the county personnel law; amending Minnesota Statutes 1986, sections 383A.281, subdivision 13; and 383A.286, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2418, A bill for an act relating to the state university board; authorizing it to use money held by it to discharge or otherwise provide for the payment of its outstanding revenue bonds; authorizing it to issue revenue bonds to finance the acquisition and betterment of facilities at the state universities subject to obtaining certain approvals; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; and 136.41, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 16, after "money" insert "other than state appropriated money"

Page 2, line 4, delete everything after "or" and insert "law."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2423, A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2437, A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

“\$50,000 is appropriated to the commissioner of the state planning agency to fund the local efforts of a multi-county area in southwest central Minnesota to plan, organize, and design a health insurance program demonstration project for low income adults and their dependents. The demonstration project shall be designed to best meet the health insurance needs of individuals and families who are not eligible for any other state or federal health benefits program and who do not have any health insurance or who do not have adequate health insurance. The project shall be planned and organized to make the best use of existing community health providers and agencies. By February 1, 1989, the commissioner shall report to the chairs of the health and human services committees of the senate and the house with a plan, organization, and design for implementation of the health insurance demonstration

project. The report must be based on recommendations from the multi-county area."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2445, A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

Reported the same back with the following amendments:

Page 1, line 24, after "Faribault," insert "Rice County District No. 1 Hospital,"

Page 2, after line 16, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. The appropriation in section 2 is available until expended."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2446, A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.17; 383C.171; 383C.174; 383C.175; 383C.20; 383C.201; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339;

383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

Reported the same back with the following amendments:

Page 6, delete lines 18 to 28 and insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, 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 nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity.

(e) Assistant county attorneys or special investigators in the employ of the county attorney.

(f) All common labor temporarily employed on an hourly basis.

(g) All inmate or patient help in county institutions.

(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.

(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 Not more than a total of nine clerks serving the county board and administrator.

(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.

(m) One clerk for the county administrator Two administrative assistants in the county administrator's office.

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.

Page 12, after line 2, insert:

"Sec. 13. Minnesota Statutes 1986, section 383C.17, is amended to read:

383C.17 [COURTHOUSE BUILDING COMMISSION.]

In St. Louis county, the courthouse building commission The board of county commissioners of St. Louis county shall have the authority to assign and reassign space and rooms to the various offices in the courthouses and county office buildings in said county."

Page 17, line 30, delete "383C.17;"

Page 17, line 31, delete "383C.201;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "383C.162;" insert "383C.17;"

Page 1, line 11, after "2;" insert "Minnesota Statutes 1987 Supplement, section 383C.035;"

Page 1, line 15, delete "383C.17;"

Page 1, line 16, delete "383C.201;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2450, A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 36, strike everything after "(c)"

Page 3, lines 1 and 2, strike the old language

Page 3, line 2, after "fund" insert "which fails to file a required report or willfully files false information"

Page 3, line 3, delete "also" and delete "\$1,000" and insert "\$500"

Page 3, line 4, after "15" insert "that"

Page 3, after line 5, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to violations occurring on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2459, A bill for an act relating to education; providing for faculty exchanges between secondary schools and post-secondary institutions.

Reported the same back with the following amendments:

Page 1, line 11, delete "secondary" and insert "school districts"

Page 1, line 16, delete "secondary schools" and insert "school districts"

Page 1, line 19, after "school" insert "district"

Page 1, line 21, delete "secondary"

Page 1, line 22, after "school" insert "district"

Page 1, line 25, delete "secondary" and insert "public school"

Page 2, line 5, delete "secondary" and after "school" insert "district"

Page 2, line 16, after "school" insert "district" and after "and" insert "post-secondary"

Amend the title as follows:

Page 1, line 3, delete "secondary schools" and insert "school districts"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2460, A bill for an act relating to education; conditioning University of Minnesota appropriations on the restructuring of governance of the university by the board of regents.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2475, A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF STATE LAND TO CITY OF MOUNDS VIEW.]

Notwithstanding Minnesota Statutes, sections 92.01 to 92.16, 92.45, or any other law, the commissioner of transportation shall convey the land described in this section by private sale to the city of Mounds View.

The conveyance shall be by quitclaim deed without consideration in a form approved by the attorney general.

The land to be conveyed is located in Ramsey county consisting of approximately 54.91 acres described as:

South half of the Northeast quarter of Section 5, Township 30, Range 23

This property was acquired by the department of transportation for construction of a new portion of trunk highway No. 10 west of Interstate 35W. The property is mostly wetland and floodplain and is not needed for highway purposes and is located within a conservancy, recreation, and protection district."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2478, A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Min-

nesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Reported the same back with the following amendments:

Page 2, line 3, delete "bomb disposal employees" and insert "members of a bomb disposal unit approved by the commissioner of public safety and"

Page 2, line 19, after "unit" insert "approved by the commissioner of public safety and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2481, A bill for an act relating to local government; the city of Cook and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [HOSPITAL DISTRICT TERRITORY.]

Subdivision 1. [ST. LOUIS COUNTY.] The St. Louis county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to a hospital district to be organized under Minnesota Statutes, sections 447.31 to 447.37, that includes the city of Cook and the city of Orr as well as other townships in Koochiching county and St. Louis county. The unorganized townships are: 61 North, Range 17 West; 62 North, Range 21 West; 63 North, Range 21 West; 63 North, Range 19 West; 64 North, Range 21 West; 64 North, Range 18 West; 65 North, Range 21 West; 66 North, Range 21 West; 66 North, Range 20 West; 66 North, Range 19 West; 67 North, Range 21 West; 67 North, Range 20 West; 67 North, Range 19 West; 67 North, Range 18 West; 67 North, Range 17 West; 68 North, Range 21 West; 68 North, Range 20 West; 68 North, Range 19 West; 68 North, Range 18 West; 68 North, Range 17 West; 69 North, Range 21 West; 69 North, Range 20 West; 69 North, Range 19 West; 69 North, Range 18 West; 69 North, Range 17 West; 70 North, Range 21 West; 70 North, Range 20 West; 70 North, Range 19 West; 70 North, Range 18 West; 71 North, Range 21 West; and 71 North, Range 20 West.

Subd. 2. [KOOCHICHING COUNTY.] The Koochiching county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to the hospital district described in subdivision 1. The unorganized townships are: 64 North, Range 22 West; 64 North, Range 23 West; 65 North, Range 22 West; 65 North, Range 23 West; 66 North, Range 22 West; and 66 North, Range 23 West.

Subd. 3. [EXCEPTION TO CONTIGUITY REQUIREMENTS.] Notwithstanding Minnesota Statutes, section 447.31, subdivision 2, the district created under this act is not required to be contiguous.

Sec. 2. [OFFICERS.]

Notwithstanding Minnesota Statutes, section 447.32, subdivision 1, the hospital district created under this act shall be governed by a board composed of one member elected from each city and town in the district, two members elected at large from the aggregate of the unorganized townships in St. Louis county listed in section 1, subdivision 1, and one member elected at large from the aggregate of the unorganized townships in Koochiching county listed in section 1, subdivision 2.

Sec. 3. [TAX; PAYMENT OF EXPENSES.]

The tax levied by the hospital district under Minnesota Statutes, section 447.34, must not be levied at a rate that exceeds 2 mills. The proceeds of that tax may be used only for acquisition, betterment, and maintenance of the district's hospital and nursing home facilities and equipment, and not for administrative or salary expenses.

Sec. 4. [TRANSFER OF FACILITIES OF CITY OF COOK.]

The city of Cook may transfer title and interest in its hospital and nursing home, including the real estate, building, and equipment, to the hospital district created under this act for no consideration. All obligations incurred prior to the transfer in connection with the construction or operation of the hospital and nursing home shall remain as the exclusive obligation of the city of Cook.

Sec. 5. [EFFECTIVE DATE.]

This act is effective for the city of Cook the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Cook.

This act is effective for the city of Orr the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Orr.

This act is effective for St. Louis county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county.

This act is effective for Koochiching county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Koochiching county.

Amend the title as follows:

Page 1, line 2, after "Cook" insert ", the city of Orr,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2485, A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

Reported the same back with the following amendments:

Page 2, after line 27 insert:

"If the commissioner conveys the land for less than its appraised value, the Minnesota Children's Center must pay all of the administrative costs to the state, as determined by the commissioner, associated with making the conveyance."

Page 3, line 7, delete "and"

Page 3, delete lines 8 to 13 and insert:

"(4) has executed an agreement, in recordable form, (i) prohibiting the voluntary sale of the project to an unrelated third party without paying to the state the fair market value of the land in unimproved condition, measured as of the date of conveyance by the state to the Minnesota Children's Center, and (ii) requiring, at the option of the state, reconveyance of the land to the state, or termination of the lease, as the case may be, subject only to any mortgage liens created or incurred in connection with the development and construction of the proposed facility, if the facility has not been completed by the time specified in clause (3) or ceases to be used for the purposes set out in clause (2); and

(5) has obtained the approval of the capitol area architectural and planning board of the plans and specifications for the proposed facility."

Page 3, line 20, delete "approved in writing by" and insert "submitted for review to"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2491, A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; amending Minnesota Statutes 1986, section 80C.01, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 22, after "selling" insert "security systems"

Page 2, line 26, after the period insert "Any manufacturer of a burglar alarm product having been sold to a distributor in Minnesota for at least five years may establish itself as a franchisor requiring said distributor to begin paying an annual franchise fee or a sign up fee for operations within Minnesota after the manufacturer provides its existing non-franchised distributor five years notice of such intent, with an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in Minnesota in competition with the distributor during the notice period. Any such manufacturer terminating an existing burglar alarm distributor contract in Minnesota must wait five years before opening a distributorship in Minnesota."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2507, A bill for an act relating to education; increasing the powers of the state board for community colleges; changing the criteria for board membership; directing the Revisor to prepare a bill reorganizing community college statutes; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 136.61, subdivision

1; 136.622; and 136.67, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the following amendments:

Page 4, delete section 6

Renumber the sections in sequence

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2514, A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

“Sec. 2. Minnesota Statutes 1986, section 473.13, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM EVALUATION.] The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The council shall transmit the evaluation to the legislature annually.”

Page 2, line 19, after “needs” insert “and problems”

Page 2, line 20, strike the first “and” and insert “, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;”

(2)”

Page 2, line 22, strike "(2)" and insert "(3)"

Page 2, line 24, strike "(3)" and insert "(4)"

Page 2, line 26, strike "(4)" and insert "(5)"

Page 2, line 28, strike "(5)" and insert "(6)"

Page 2, line 31, delete "(6)" and insert "(7)"

Page 3, line 35, before "consulting" insert "proposed or anticipated" and after "contracts", insert "or projects"

Page 3, line 36, before the period insert "or project"

Page 4, line 20, after "on" insert "employee" and after "salaries" insert "under clause (1)"

Page 4, line 23, after "benefits" insert "granted to individuals"

Page 4, line 24, before the period insert "or agency"

Pages 5 and 6, delete sections 6 and 7 and insert:

"Sec. 7. Minnesota Statutes 1986, section 473.38, is amended by adding a subdivision to read:

Subd. 4. [PROGRAM EVALUATION.] The budget procedure of the board must include a substantive assessment and evaluation of the effectiveness of each significant program of the board, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The board shall transmit the evaluation to the legislature annually."

Renumber sections in sequence

Amend the title as follows:

Page 1, line 5, before the semicolon insert ", and by adding a subdivision"

Page 1, line 7, delete everything before "Minnesota" and insert "473.38, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2520, A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2526, A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [POLICY STATEMENT; LEGISLATIVE FINDINGS.]

Since 1931 the expressed policy of the state of Minnesota, stated by law in Minnesota Statutes, section 481.02, subdivision 3, clause (3), has been that real estate brokers and salespeople may provide drafting services incident to real estate closings. The legislature continues to find that the public interest will be served by permitting the provision of those services by brokers, salespeople, and closing agents with or without compensation. The legislature also finds it appropriate, and it is the purpose of this act, to provide clarification of the role of real estate brokers, salespeople, and closing agents.

Sec. 2. Minnesota Statutes 1986, section 82.17, is amended by adding a subdivision to read:

Subd. 10. “Closing agent” or “real estate closing agent” means any person, except a licensed attorney, real estate broker, or real estate salesperson, who for another and with or without a commission, fee, or other valuable consideration or with or without the intention or

expectation of receiving a commission, fee, or other valuable consideration, directly or indirectly provides closing services incident to the sale, trade, lease, or loan of residential real estate, including drawing or assisting in drawing papers incident to the sale, trade, lease, or loan, or advertises or claims to be engaged in these activities.

Sec. 3. Minnesota Statutes 1986, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge, papers incident to the sale, trade, lease, or loan;

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(5) (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(6) (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(7) (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(8) (7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except

wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(9) (8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(10) (9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(11) (10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(12) (11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(13) (12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(14) (13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property

used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 4. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 3a. [REAL ESTATE CLOSING SERVICES.] Nothing in this section shall be construed to prevent a real estate broker, a real estate salesperson, or a real estate closing agent as defined in section 82.17, subdivision 10, from drawing or assisting in drawing papers incident to the sale, trade, lease, or loan of property, or from charging for drawing or assisting in drawing them, except as hereafter provided by the supreme court.

Sec. 5. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 9. Nothing in this section shall be construed to allow a person other than a licensed attorney to perform or provide the services of an attorney or be construed to otherwise conflict with section 481.02.

Sec. 6. [507.45] [RESIDENTIAL REAL ESTATE CLOSINGS.]

Subdivision 1. Residential real estate closing services may be provided and a fee charged by a licensed attorney, real estate broker, real estate salesperson, and real estate closing agent.

Subd. 2. No charge, except a charge required to be disclosed by Regulation Z, Code of Federal Regulations, title 12, section 226, may be made for closing services unless the party to be charged is informed of the charge in writing at least five business days before the closing by the party charging for the closing services.

Subd. 3. If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 6-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 7. [CONSTRUCTION.]

Nothing in this act shall be construed to imply that fees charged for closing services before its enactment constituted the unauthorized practice of law.

Sec. 8. [NONSEVERABILITY.]

If section 4 or section 6, subdivision 1, is found to be unconstitutional or otherwise inoperative, the entire act shall be void and without effect.

Sec. 9. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5 and 6, subdivision 1, take effect the day after final enactment. The other sections and subdivisions take effect January 1, 1989."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 507."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging names on ballots, and completing summary statements; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 201.

Reported the same back with the following amendments:

Page 1, line 28, delete "All" and insert "County"

Page 1, line 29, delete "must be" and insert "are"

Page 3, line 22, delete "examination" and insert "public inspection"

Pages 3 and 4, delete section 6

Page 6, after line 14, insert:

"Sec. 9. Minnesota Statutes 1987 Supplement, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

(a) An electronic voting system may not be employed unless it

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) rejects by means of the automatic tabulating equipment, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; and

(6) rejects, by means of the automatic tabulating equipment, all votes cast in a primary election by a voter when the voter votes for candidates of more than one party, except as provided in paragraph (b).

(b) A punch card electronic voting system ~~must permit~~ may not be employed at a partisan primary election unless it permits a voter at a partisan primary election to select the party for which the voter wishes to vote by punching out an indicator for one of the parties only, and must reject, by means of the automatic tabulating equipment, all votes cast in a partisan primary election by a voter for candidates of a party other than the one chosen by the voter from the party indicators."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "filing,"

Page 1, line 10, after the semicolon insert "permitting cities or counties to use their present voting systems for general elections;"

Page 1, line 11, delete "204B.09, subdivision 1;"

Page 1, line 14, delete "and"

Page 1, line 15, after the semicolon insert "and 206.80;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2537, A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2539, A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2540, A bill for an act relating to the city of Bloomington; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2542, A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2544, A bill for an act relating to veterans; requiring the housing and care of veterans in the Fergus Falls regional treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [198.311] [VETERANS ACCEPTED BY FERGUS FALLS RESIDENTIAL TREATMENT CENTER.]

Veterans may be housed and cared for at the Fergus Falls regional treatment center in the manner and under the conditions provided in section 2.

Sec. 2. [253.28] [ACCEPTANCE OF VETERANS BY FERGUS FALLS CENTER.]

Subdivision 1. [AUTHORITY.] The Fergus Falls regional treatment center may lease any suitable separate identifiable part of the center not used for the care and treatment of residents under the supervision of the commissioner of human services to the department of veterans affairs for the care of veterans and other persons eligible for admission to a veterans home. Veterans and other persons accepted for admission shall be housed and cared for, to the greatest extent practicable, under the same conditions and in the same manner as veterans and other persons under sections 198.001 to 198.34.

Subd. 2. [AGREEMENT.] The commissioner of human services and the commissioner of veterans affairs may enter into a written contract providing for the lease of the physical plant and for shared services necessary to implement subdivision 1.

Delete the title and insert:

“A bill for an act relating to veterans; authorizing the housing and care of veterans in the Fergus Falls regional treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2546, A bill for an act relating to commerce; regulating preparation of certain financial information for membership camping contract applications and subdivider qualification statements; repealing an exception to the exemption of subdivided lands within a city; prohibiting advance payments relating to resale of time share property interests; providing for hearing on misleading or deceptive sales practices relating to subdivisions; amending Minnesota Statutes 1986, sections 82A.04, subdivision 2; 83.26, subdivision 2; and 83.44; Minnesota Statutes 1987 Supplement, sections 83.23, subdivision 3; and 83.45.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 82A.04, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CONTENTS.] The application for registration shall include:

(1) an irrevocable appointment of the commissioner to receive service of any lawful process as required by section 82A.22, subdivision 1;

(2) the name of the campground, the membership camping operator's name and the address of its principal place of business, the form, date of organization, and jurisdiction of its organization; and the name and address of each of its offices in this state;

(3) a copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect;

(4) the name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator, and the extent and nature of each such person's interest in the membership camping operator as of a specified date within 30 days prior to the filing of the application;

(5) a statement indicating whether or not the membership camping operator, or any of the persons identified in clause (4), within the past ten years has been:

(i) convicted of a felony; or

(ii) enjoined or received any adverse administrative order relating to the sale of securities, land, or campgrounds or based on violations of any consumer protection statutes. If any of the above has occurred, the name of the person involved, the jurisdiction, offense, and date of the offense shall be listed;

(6) a legal description of each campground owned or operated in this state by the membership camping operator which is represented to be available for use by purchasers, and a map or maps showing the location of all campgrounds, wherever located, which are owned or operated by the membership camping operator and represented to be available for use by purchasers, and a statement identifying the existing amenities at each such campground and the planned amenities represented as to be available for use by purchasers in the future at each such campground;

(7) the states or jurisdictions in which an application for registration or similar document has been filed by the membership camping

operator pursuant to any statute similar to this chapter regulating membership camping contracts and any adverse order, judgment, or decree entered against the operator in connection with membership camping contracts by any regulatory authority in any jurisdiction or by any court;

(8) a statement of the condition of the title to the campground owned or operated in this state by the membership camping operator and represented to be available for use by purchasers, including all encumbrances, deed restrictions, and covenants applicable thereto with data as to recording, as of a specified date within 30 days prior to the date of application, by a title opinion of a licensed attorney or by a title insurance policy, naming the operator or lender as beneficiaries and issued by an insurance company authorized to do business in this state, or by any evidence of title acceptable to the commissioner;

(9) copies of the instruments by which the membership camping operator's interest in the campgrounds in this state was acquired;

(10) copies of all recorded or unrecorded instruments, known to the membership campground operator, that evidence blanket encumbrances that materially adversely affect the campgrounds in this state;

(11) if there is a blanket encumbrance which materially adversely affects the campgrounds located in this state, a legal description of the encumbrance, and a description of the steps taken to protect purchasers, in accordance with section 82A.14, clause (1), in case of failure to discharge the lien or encumbrance;

(12) evidence showing compliance with the zoning and other applicable environmental or land use laws, ordinances, and rules affecting the use of the campgrounds located in this state;

(13) a statement of the existing and planned provisions for the following with respect to campgrounds located in this state:

(i) purchasers' access to the campgrounds;

(ii) the availability of sewage disposal facilities and other public utilities, including but not limited to water, electricity, gas, and telephone facilities in the campgrounds;

(iii) the proximity of community fire and police protection;

(iv) a statement of the amenities which will be represented to purchasers as guaranteed to be constructed or installed, whether the operator will be responsible for their cost, installation and maintenance and an estimated cost of and schedule for completion of the

same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur, and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator; and assurance that such amenities will be completed by filing a bond or irrevocable letter of credit, depositing funds in an escrow account, or such other provision as the commissioner may by order allow. The amount of the bond or escrow account shall be reduced monthly in proportion to the amount paid for completion of the amenities during such period. The bond, letter of credit, or escrow account shall be issued or held by a bank or insurance or surety company authorized to do business in this state;

(v) a statement of the amenities to be represented to purchasers as planned for construction and installation, but not guaranteed, whether the operator will be responsible for their costs, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator;

(14) a copy of each item of advertising materials which has been prepared for public distribution in this state after January 1, 1986. Advertising material for off-site distribution which is pictorial in nature, other than site and conceptual plans which are labeled as such, shall be limited to a depiction of the actual on-site condition of the campgrounds or other areas that are material to the offer or sale of membership camping contracts pursuant to this registration; site and conceptual plans shall disclose which facilities are and are not currently in existenee;

(15) the proposed disclosure statement as required by section 82A.05, subdivision 1, and the proposed separate disclosure, if applicable, as required by section 82A.05, subdivision 6;

(16) (15) a financial statement of the membership camping operator as of the end of the membership camping operator's most recent fiscal year, audited prepared by an independent certified public accountant and certified by the camping operator; and, if the fiscal year end of the membership camping operator is in excess of 120 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 120 180 days of the date of application;

(17) (16) a statement of the applicable material permits, other than building permits, not yet obtained but required to be obtained from various federal, state, and local agencies to operate the

membership campground in this state, stating which have been applied for. If any permit has been refused, the reasons for the refusal and the effect the refusal will have on subsequent development of the campgrounds must be disclosed;

(18) (17) a copy of each type of membership camping contract to be sold in this state, the purchase price of each type and, if the price varies, the reason for the variance;

(19) (18) the number of membership camping contracts proposed to be sold at each campground located in this state and a statement describing the method used to determine the number;

(20) (19) rules of general applicability governing use and occupancy of the campgrounds; but not including any temporary or emergency rules, or any rules adopted in response to unique local or immediate needs;

(21) (20) copies of applications for and contracts with any reciprocal program entity in which the membership camping operator is to participate and represents as available for use by purchasers;

(22) (21) information concerning purchase or lease costs, rules, forms, and any fees, other than the initial membership fee and annual dues, which are required for purchaser usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations, provided by or through the membership camping operator, for purchasers as an alternative to using the purchaser's own mobile accommodations; and

(23) (22) any additional information the commissioner reasonably deems appropriate to administer the provisions of this chapter.

Sec. 2. Minnesota Statutes 1987 Supplement, section 82A.09, subdivision 3, is amended to read:

Subd. 3. [SPECIFIC PROHIBITIONS.] The following devices or sales presentations, and the use of those devices or presentations, are deceptive or misleading practices:

(1) An advertisement that offers travel, accommodations, gifts, meals, or entertainment published to induce prospective purchasers to visit a campground or attend a sales presentation and that:

(i) does not prominently set forth all eligibility requirements;

(ii) describes offers of travel, accommodations, gifts, meals, or entertainment as "prizes," "awards," or by words of similar import or describes prospective purchasers as "winners" or by words of similar import;

(iii) contains the words "free" or "no obligation" or similar terms unless the offer is unequivocally without conditions;

(iv) states or implies that prospective purchasers have been specially selected;

(v) does not specifically state that gifts will be provided at the time the prospective purchaser visits the campground or attends the sales presentation;

(vi) does not disclose on its face page the retail market value of the travel, accommodations, gifts, meals, or entertainment provided. For purposes of this subclause, "retail market value" means: the retail price the item sells for in Minnesota; or if the item is not sold in Minnesota, the retail price the item sells for in states contiguous to Minnesota; or if the item is not sold in Minnesota or in a state contiguous to this state, the retail price the item sells for anywhere in the United States;

(vii) does not specifically and prominently disclose that the purpose of the offer of travel, accommodations, gifts, meals, or entertainment is to induce prospective purchasers to visit a campground or attend a sales presentation where they will be encouraged to purchase a membership camping contract;

(viii) does not completely disclose rules and procedures if travel, accommodations, gifts, meals, or entertainment are offered through a "sweepstakes," "giveaway," or similar contest;

(ix) does not specifically disclose the odds, as a fraction, using a common denominator, of a prospective purchaser's receiving each gift if the gift is offered through a "sweepstakes," "giveaway," or similar contest; or

(x) does not clearly and prominently state that gifts may be given to persons outside the state if the advertisement is part of a national advertising campaign.

(2) An advertisement that does not prominently disclose the name, address, and phone number of the membership camping operator on whose behalf the advertisement is distributed.

(3) An advertisement prepared on the stationery of a person other than the membership camping operator that creates a likelihood of confusion, misunderstanding, or deception.

(4) Site and conceptual plans which do not disclose which facilities are and are not currently in existence.

(5) Pictorial advertising material for off-site distribution, other

than site and conceptual plans which are labeled as such, which depicts more than the actual on-site condition of the campgrounds or other areas that are material to the offer or sale of membership camping contracts.

Sec. 3. Minnesota Statutes 1987 Supplement, section 83.23, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATION.] Subdivided lands may be registered by qualification provided all of the following requirements have been met:

(a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;

(b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, audited prepared by an independent certified public accountant and certified by the subdivider; and, if the fiscal year of the subdivider is more than ~~90~~ 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within ~~90~~ 180 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements prepared by an independent accountant.

An application for registration under this section becomes effective when the commissioner so orders.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 4. Minnesota Statutes 1986, section 83.29, subdivision 2, is amended to read:

Subd. 2. If the commissioner determines upon inquiry and examination:

(1) That any of the requirements of sections 83.20 to 83.42 or the rules promulgated pursuant to sections 83.20 to 83.42 have not been met;

(2) That the proposed promotional plan or advertising is or tends to be fraudulent, deceptive or misleading;

(3) That the sales of the lands would work or tend to work a fraud or deception on the purchasers thereof;

(4) That the sales of the lands would be unfair or inequitable to the purchasers thereof;

(5) That the subdivider has violated any of the provisions of sections 83.20 to 83.42 or any order or rule of the commissioner;

(6) That the subdivider is not in compliance with federal, state or local environmental quality standards;

the commissioner may issue an order denying the application for registration; provided, however, that nothing in this section shall authorize the commissioner to deny an application based solely on the proposed sale price of the lands. The order shall state the reasons for denial. Every person whose application for registration has been denied shall have the right to a hearing provided a request for such hearing is filed with the commissioner within 30 days of the receipt of the order of denial. The order of denial shall inform the applicant of the right to this hearing.

Sec. 5. Minnesota Statutes 1986, section 83.29, subdivision 5, is amended to read:

Subd. 5. No person shall publish or cause to be published in this state any advertisement offering subdivided lands subject to the registration requirements of section 83.23 which is false, misleading, or deceptive. ~~The commissioner has 15 days in which to deny the advertising.~~

Sec. 6. Minnesota Statutes 1986, section 83.44, is amended to read:

83.44 [PROHIBITED PRACTICES.]

It is unlawful for any person, in connection with the offer or sale of any subdivided land or interests therein, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; or

(d) to accept an advance payment for services rendered by an agent in connection with the resale of a time share interest.

Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 82A.09, subdivision 1, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2550, A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

Reported the same back with the following amendments:

Page 1, line 7, after "STUDIES" insert "; DEMONSTRATION PROJECTS"

Page 1, delete lines 8 to 14

Page 1, line 15, delete "also"

Page 2, after line 1, insert:

"The department shall oversee and participate in a demonstration project to be undertaken by the Minnesota lead free kids project to clean up lead contamination in the exterior environment of a selected portion of the Phillips neighborhood in Minneapolis. Cleanup includes soil removal and replacement, landscaping and removal of loose paint. The department shall test children who reside in the selected project area before cleanup and one year following cleanup for blood lead levels. The Minnesota lead free kids project shall report to the legislature by January 1, 1990, on the project."

Page 2, delete lines 3 to 5

Page 2, line 6, delete "\$65,000" and insert "\$"

Page 2, after line 9, insert:

"\$ is appropriated from the general fund to the department of health to fund the demonstration project to be undertaken by the Minnesota lead free kids project."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2558, A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2559, A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 21, before "hearing" insert "entire"

Page 2, line 25, after "for" insert "the entire hearing aid for"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2561, A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2567, A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

Reported the same back with the following amendments:

Page 4, line 27, after the period insert "Any contract in force and effect on July 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed, is governed by the law as it existed before July 1, 1988."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2570, A bill for an act relating to education; placing conditions on University of Minnesota appropriations; requesting a study by the legislative auditor.

Reported the same back with the following amendments:

Page 2, after line 4, insert:

“Sec. 2. [137.001] [COMPENSATION.]

All board members shall be compensated as provided in section 15.0575, subdivision 3, except that the rate shall be \$50 per day.”

Page 2, line 14, delete “2” and insert “3”

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, before the period insert “; proposing coding for new law in Minnesota Statutes, chapter 137”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2575, A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [256B.75] [FEASIBILITY STUDY FOR HABILITATION SERVICES.]

The commissioner of human services, together with the commissioner of jobs and training, shall study the feasibility of providing

medical assistance reimbursement to work activity programs for training and habilitative services provided to participants. The commissioner shall report its findings to the legislature by December 1, 1988. For the purpose of this section, a work activity program is defined at section 129A.01, subdivision 7."

Delete the title and insert:

"A bill for an act relating to human services; requiring a study of the feasibility of medical assistance reimbursement to work activity programs; proposing coding for new law in Minnesota Statutes, chapter 256B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2579, A bill for an act relating to workers' compensation; providing for review of rehabilitation plans; amending Minnesota Statutes 1986, section 176.102, subdivision 7.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2596, A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from small businesses and businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9, and by adding a subdivision; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473; repealing Minnesota Statutes 1986, section 473.556, subdivision 14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [3.863] [LEGISLATIVE TASK FORCE.]

Subdivision 1. [MEMBERSHIP] A ten-member legislative task force is created to study and monitor equal employment opportunity activities of each of the metropolitan agencies established by chapter 473. Five members shall be appointed by the speaker of the house and five members by the senate committee on rules and legislative administration. Two of the members from each house must be from the minority party. The appointing authority from each house shall appoint one member to serve as a co-chair.

Subd. 2. [DUTIES.] The task force shall monitor the performance of metropolitan agencies in complying with sections 3 and 4. The task force shall recommend action necessary to assure that metropolitan agencies comply with principles of equal employment opportunity in establishing their work forces and to assure that these agencies maintain work environments free of forbidden discrimination. The task force has powers granted to legislative committees under section 3.153, to the extent necessary to perform its duties.

Subd. 3. [SPECIAL INVESTIGATIONS.] (a) A special investigation of a metropolitan agency within the jurisdiction of the task force may be initiated only by direction of the legislature or upon a finding by vote of a majority of all members of the task force that a special investigation of an agency is necessary to assure compliance with the principles of equal employment opportunity and nondiscriminatory employment. Upon initiation of a special investigation, the task force shall exercise the authority provided in this subdivision and assure agency compliance with the requirements of this subdivision. The task force may terminate the special investigation upon a determination that the investigation has achieved its objective and is no longer necessary. Paragraphs (b), (c), (d), and (e) apply only if a special investigation is initiated according to this paragraph.

(b) The task force shall receive complaints concerning equal employment opportunity policies and alleged instances of forbidden discrimination relating to the agency. The task force shall investigate complaints to the extent necessary to determine if the agency's internal policies and procedures are adequate to assure that complaints are dealt with fairly and that the circumstances underlying complaints are corrected. The task force does not have authority to decide the merits of individual cases. The task force may designate a person to be present at agency facilities to the extent necessary to fulfill duties assigned by this subdivision. The agency shall cooperate with the task force by providing access to requested documents that are public data under chapter 13 and by providing space and support at agency facilities upon request.

(c) The agency must report monthly to the task force summarizing personnel actions that it has taken since the last report. For

purposes of this subdivision, "personnel action" means a new hire, promotion, transfer, demotion, layoff, recall from layoff, suspension with or without pay, letter of reprimand, involuntary termination, other disciplinary action, and voluntary termination. Each report must include the job title of the affected person and must specify what protected group, if any, the person is a member of. Each report must also include the percentage of members of each protected group, as defined in section 43A.02, subdivision 33, in the applicant pool for each new hire or promotion, to the extent that the agency knows this information. The agency must also report monthly to the task force summarizing the number of:

(1) charges filed against the agency with the state or a local human rights department or commission alleging employment discrimination;

(2) lawsuits filed in federal or state court against the agency, alleging employment discrimination;

(3) grievances filed under a nondiscrimination clause of a union contract;

(4) complaints filed under the agency's affirmative action plan or sexual or racial harassment policies; or

(5) discrimination complaints filed under other agency personnel policies.

The reports required by clauses (1) to (5) must include the basis for each complaint, grievance or lawsuit, and any disciplinary action taken against an agency employee in relation to the complaint or lawsuit. In filing reports on complaints and lawsuits, the agency shall not disclose the name of the employee filing the complaint or lawsuit, and shall not reveal information that is not public data under chapter 13.

(d) The agency shall report to the task force on the composition of the work force under the direction of each person that the agency designates as a managerial or supervisory employee. The report must be in the form and submitted at the time intervals requested by the task force and must show the percentage of the relevant work force that is composed of members of each protected group.

(e) Upon request of the task force, the agency shall report other information related to achievement of affirmative action goals or to elimination of discrimination from the workplace.

Subd. 4. [WASTE CONTROL COMMISSION.] The task force shall initiate a special investigation of the metropolitan waste control commission under subdivision 3.

Subd. 5. [REPORTS.] The task force shall report to the legislature by January 15, 1989. The report must include:

(1) an evaluation of the performance of each metropolitan agency in complying with sections 3 and 4;

(2) recommendations for further legislation related to personnel and procurement functions of metropolitan agencies; and

(3) a recommendation on what form of continued legislative oversight of these personnel and procurement functions is appropriate and on when, or under what conditions, the task force should be eliminated.

Sec. 2. Minnesota Statutes 1986, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by each commission of affirmative action plans, which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress report to the agency or office as provided in section 4. The chief administrator of each commission shall administer the code, and no commission shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or personal fitness for the position. Where

there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dismissed by the chief administrator, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Sec. 3. [473.142] [SOCIALY AND ECONOMICALLY DISADVANTAGED BUSINESSES.]

(a) The metropolitan council and agencies specified in section 4, subdivision 1, shall attempt to award at least nine percent of the value of all procurement, other than contracts under clause (c), to businesses owned and operated by socially or economically disadvantaged persons. For purposes of this section, "socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may rise from cultural, social or economic circumstances, background, or other similar cause. It includes racial minorities, women, persons with a disability as defined in section 363.01, subdivision 25, sheltered workshops, and work activity programs. To the extent practicable, the council and agencies shall attempt to meet this goal through procurement from businesses with their principal place of business in Minnesota. In furtherance of this goal, the council or an agency shall set aside a percentage of all procurements for bidding only by these businesses. The council or an agency may also award a five percent preference to these businesses in the amount bid on selected procurements.

(b) The council and each agency specified in section 4, subdivision 1, as a condition of awarding procurements for construction, consultant, professional, or technical service contracts in excess of \$200,000, shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a small business

owned and operated by a socially or economically disadvantaged person, or that at least ten percent of the contract award be expended in purchasing materials or supplies from this type of business. This paragraph does not apply if the council or agency determines that there is no small business owned and operated by a socially or economically disadvantaged person able to perform the subcontract or provide the supplies. Subcontracting or purchasing of supplies under this subdivision is not included in determining achievement of goals under paragraph (a) or (c).

(c) The council and each agency specified in section 4, subdivision 1, shall attempt to award at least six percent of the value of all procurements for consultant services or professional or technical services to businesses owned and operated by socially or economically disadvantaged persons.

(d) The council and each agency may adopt rules to implement this section.

(e) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged business enterprise regulations. The council and each agency must report annually to the legislature on compliance with this subdivision. The reports must include the information specified in section 16B.21.

Sec. 4. [473.143] [AFFIRMATIVE ACTION PLANS.]

Subdivision 1. [APPLICATION.] For purposes of this section, "agency" means a metropolitan agency as defined in section 473.121, except the metropolitan parks and open space commission. Agency also means the metropolitan mosquito control commission. For purposes of this section, "commissioner" means the commissioner of the state department of employee relations.

Subd. 2. [DEVELOPMENT AND CONTENTS.] The council and each agency must develop an affirmative action plan and submit its plan to the commissioner for approval. The commissioner may not approve a plan unless the commissioner determines that it will be effective in assuring that employment positions are equally accessible to all qualified persons, in eliminating the underutilization of qualified members of protected groups, in providing a supportive work environment to all employees, regardless of race, religion, sex, national origin, or disability, and in dealing with discrimination complaints. For purposes of this section, "protected group" has the meaning given it in section 43A.02, subdivision 33. A plan must contain at least the elements required in this subdivision.

(a) It must identify protected groups that are underrepresented in the council's or agency's work force.

(b) It must designate a person responsible for directing and implementing the affirmative action program and assign the specific responsibilities and duties of that person. The person responsible for implementing the program must report directly to the council's or agency's chief executive officer regarding the person's affirmative action duties. The person responsible for the affirmative action program must review examination and other selection criteria to assure compliance with law. This person must be involved in the filling of all vacancies in the council or agency work force, to the extent necessary to facilitate attainment of affirmative action goals.

(c) It must describe the methods by which the plan will be communicated to employees and to other persons.

(d) It must describe methods for recruiting members of protected groups. These methods may include internship programs, cooperation with union apprenticeship programs, and other steps necessary to expand the number of protected group members in applicant pools.

(d) It must describe internal procedures in accordance with this paragraph for processing complaints of alleged discrimination from job applicants and employees. The procedures must provide for an initial determination of whether the complaint is properly a discrimination complaint subject to the procedure under the affirmative action plan. Complaints filed under the discrimination procedures that allege reprisals against an employee for opposing a forbidden practice or for filing a charge, testifying, or participating in an investigation, proceeding, or hearing relating to a forbidden practice must be appealable to the chief executive officer of the council or agency. Procedures under this paragraph must be distinct from any procedures available under a union contract or personnel policy for nondiscrimination complaints. Use of procedures developed under this paragraph is not a prerequisite to filing charges with a governmental enforcement agency, nor does it limit a person's right to file these charges.

(e) It must set goals and timetables to eliminate underutilization of members of each protected group in the council or agency work force.

(f) It must provide a plan for retaining and promoting protected group members in the council or agency work force. This plan should encourage training opportunities for protected group members, to the extent necessary to eliminate underutilization in specific parts of the work force.

(g) It must describe methods of auditing, evaluating, and reporting program success, including a procedure that requires a pre-employment review of all hiring decisions for occupational groups with unmet affirmative action goals.

(h) It must provide for training of management and supervisory personnel in implementation of the plan and in dealing with alleged acts of discrimination in the workplace.

(i) It must provide for periodic surveying of the council or agency work force to determine employee attitudes toward implementation of the plan.

(j) It must provide for creation of an employee committee to advise on implementation of the plan and on any changes needed in the plan.

Subd. 3. [HARASSMENT.] The council and each agency must adopt written policies forbidding sexual and racial harassment in their workplaces and establishing implementation plans and grievance procedures to deal with complaints of sexual and racial harassment.

Subd. 4. [PERFORMANCE EVALUATION.] The evaluation of the performance of each supervisory and managerial employee of the council and the agencies must include evaluation of the person's performance in implementing the council's or agency's affirmative action plan and in preventing forbidden discrimination in the workplace.

Subd. 5. [REPORT.] By March 1 each year, the commissioner shall report to the legislature and to the task force created in section 1 on affirmative action progress of the council and of each agency. The report must include:

(1) an audit of the record of the council and each agency to determine compliance with affirmative action goals and to evaluate overall progress in attainment of overall affirmative actions objectives;

(2) if the council or any agency has failed to make satisfactory progress toward its affirmative action goals, a list of unmet goals and an analysis of why the failure occurred;

(3) a summary of all personnel actions, as defined in section 1, subdivision 3, taken by the council and each agency during the past calendar year, categorized by occupational group, protected group status, and full-time, part-time, temporary, and seasonal status; and

(4) a summary of discrimination complaints and lawsuits against the council and each agency filed or resolved during the past calendar year, including the basis for the complaints and lawsuits.

The council and each agency must report to the commissioner all

information that the commissioner requests to make the report required by this subdivision.

The council and each agency must submit these reports at the time and in the manner requested by the commissioner. The commissioner shall report to the legislature and the task force created in section 1 on the failure of the council or an agency to file the required report in a timely manner.

Subd. 6. [COORDINATION.] The commissioner or a designee shall meet with affirmative action officers of the council and all of the agencies to share successful techniques and foster innovative means to implement affirmative action plans and eliminate discrimination in the workplace.

Sec. 5. Minnesota Statutes 1986, section 473.406, subdivision 2, is amended to read:

Subd. 2. [SET-ASIDES.] The metropolitan transit commission may, on a fiscal year basis, designate and set aside for awarding to shall comply with the requirements of section 3 relating to procurement from business entities controlled by socially or economically disadvantaged persons or handicapped persons, or for awarding to business entities which guarantee the use of subcontractors controlled by socially or economically disadvantaged persons or handicapped persons, approximately five percent of the value of its anticipated total procurement of goods and services, including construction. The failure of the commission to set aside particular procurements shall not be deemed to prohibit or discourage business entities controlled by socially or economically disadvantaged persons or handicapped persons from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 6. Minnesota Statutes 1986, section 473.406, subdivision 5, is amended to read:

Subd. 5. [RECOURSE TO OTHER BUSINESSES.] If this section does and section 3 do not operate to extend a contract award to a business entity controlled by socially or economically disadvantaged persons or handicapped persons, the award shall be placed pursuant to the normal solicitation and award procedures set forth in section 471.345.

Sec. 7. Minnesota Statutes 1986, section 473.406, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commission shall promulgate by rule standards and procedures for certifying that business entities eligible to participate in the set-aside program authorized in required by this section and section 3 are controlled by socially or economically

disadvantaged persons ~~or handicapped persons~~. The commission shall promulgate other rules as may be necessary or advisable to carry out the provisions of this section and section 3.

Sec. 8. Minnesota Statutes 1986, section 473.406, subdivision 7, is amended to read:

Subd. 7. [OTHER LAWS SUPERSEDED.] In the event of conflict with other laws or rules, the provisions of this section and section 3 and rules promulgated pursuant to ~~it~~ them shall govern.

Sec. 9. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Section 3 applies only to contracts for which notice of invitation to bid or requests for proposals are issued after the effective date of the section.

Delete the title and insert:

"A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2615, A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2627, A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

Reported the same back with the following amendments:

Page 1, line 14, delete "or" and insert "and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2629, A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2642, A bill for an act relating to metropolitan government; permitting the acquisition of certain open space property.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

"The findings required by this subdivision may have been made before or may be made on or after the effective date of this act."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2643, A bill for an act relating to marriage dissolution; regulating division of pensions and retirement assets; amending Minnesota Statutes 1987 Supplement, sections 356.80, subdivisions 1 and 3; 518.58, subdivision 1; and 518.581, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2646, A bill for an act relating to agriculture; allowing participation by the rural finance administration in seller-sponsored loans to certain farmers; allowing combination of programs by certain farmers; establishing a foreign trade office in the Federal Republic of West Germany; establishing a program to provide milk to certain school pupils; providing supplemental funding for certain secondary vocational agricultural programs; appropriating money; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and by adding a subdivision; and 41B.05; proposing coding for new law in Minnesota Statutes, chapters 116J and 124.

Reported the same back with the following amendments:

Page 3, line 14, strike "\$100,000" and insert "\$150,000"

Page 3, line 34, strike "one-fourth" and insert "35 percent" and after "principal" insert "amount"

Page 3, line 35, strike "\$25,000" and insert "\$50,000"

Page 4, after line 22, insert:

"Sec. 7. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 4, is amended to read:

Subd. 4. [FARM MANAGEMENT.] A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first ~~eight~~ five years of the loan."

Page 7, delete section 8

Page 8, line 8, delete "\$7,000,000" and insert "\$6,700,000"

Page 8, delete lines 34 to 36

Page 9, delete lines 1 to 4

Renumber subdivisions in sequence

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 13, after "2," insert "4,"

Page 1, line 15, delete "chapters" and insert "chapter"

Page 1, line 16, delete "116J and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2687, A bill for an act relating to metropolitan affairs; authorizing the sale of state bonds to provide funds for the acquisition and betterment of metropolitan regional recreation open space land; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2688, A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under ~~subdivisions~~ subdivision 1 and 1a. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Sec. 2. Minnesota Statutes 1986, section 176.183, subdivision 3, is amended to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to ~~subdivisions~~ subdivision 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Sec. 3. [176C.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 3 to 19 the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of commerce except where specifically stated otherwise.

Subd. 3. [INCURRED LIABILITIES FOR THE PAYMENT OF COMPENSATION.] “Incurred liabilities for the payment of compensation” means the sum of both of the following:

(1) an estimate of future workers' compensation benefits, including medical and indemnity; and

(2) an amount determined by the commissioner to be reasonably adequate to assure the administration of claims, including legal costs, but not to exceed ten percent of future workers' compensation benefits.

Subd. 4. [INSOLVENT SELF-INSURER.] "Insolvent self-insurer" means either a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176, or a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176.

Subd. 5. [MEMBER.] "Member" means a private self-insurer which participates in the self-insurers' security fund.

Subd. 6. [PRIVATE SELF-INSURER.] "Private self-insurer" means a member private employer which is self-insured or a group which is self-insured against liability for workers' compensation under chapter 176. It does not include the state of Minnesota or its political subdivisions.

Subd. 7. [SECURITY FUND.] "Security fund" means the self-insurers' security fund established pursuant to this chapter.

Subd. 8. [TRUSTEES.] "Trustees" means the board of trustees of the self-insurers' security fund.

Sec. 4. [176C.02] [SELF-INSURANCE APPLICATIONS.]

Subdivision 1. [PROCEDURE.] Each employer desiring to self-insure individually shall apply to the commissioner on forms available from the commissioner. The commissioner shall grant or deny the application within 30 days after a complete application is filed. The time limit may be extended for another 30 days upon 15 days' prior notice to the applicant. Any grant of authority to self-insure shall continue in effect until revoked by order of the commissioner or until such time as the employer becomes insured.

Subd. 2. [CERTIFIED FINANCIAL STATEMENT.] Each application for self-insurance shall be accompanied by a certified financial statement. Certified financial statements for a period ending more than six months prior to the date of the application must be accompanied by an affidavit, signed by a company officer under oath, stating that there has been no material lessening of the net worth nor other adverse changes in its financial condition since the end of the period.

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the WCRA, that it can pay expected losses without endangering the financial stability of the company.

Subd. 4. [ASSETS, NET WORTH, AND LIQUIDITY.] Each individual self-insurer shall have and maintain sufficient assets, net worth, and liquidity to promptly and completely meet all of its obligations that may arise under chapter 176 or this act. In determining whether a self-insurer meets this requirement, the commissioner shall consider the self-insurer's current ratio; its long-term and short-term debt to equity ratios; its net worth; financial characteristics of the particular industry in which the self-insurer is involved; any recent changes in the management and ownership of the company; any excess insurance purchased by the self-insurer from a licensed company or an authorized surplus line carrier, other than excess insurance from the workers' compensation reinsurance association; any other financial data submitted to the commissioner by the company; and the company's workers' compensation experience for the last four years.

Subd. 5. [GUARANTEE BY AFFILIATES.] Where an employer seeking to self-insure fails to meet the financial requirements set forth in subdivisions 3 and 4, the commissioner shall grant authority to self-insure provided that an affiliated company, whose financial statement is filed with the commissioner and meets the requirements set forth in subdivisions 3 and 4, provides a written guarantee adopted by resolution of its board of directors that it will pay all workers' compensation claims incurred by its affiliate, and that it will not terminate the guarantee under any circumstances without first giving the commissioner and its affiliate 30 days' written notice. If said guarantee is withdrawn or if the guarantor ceases being an affiliate, the affiliate shall give written notice to the commissioner and the self-insured. The self-insured's authority to self-insure shall automatically terminate upon expiration of the 30-day notice period.

Subd. 6. [APPLICATIONS FOR GROUP SELF-INSURANCE.] (a) Two or more employers may apply to the commissioner for the authority to self-insure as a group on forms available from the commissioner. This initial application shall be accompanied by a copy of the bylaws or plan of operation adopted by the group. Such bylaws or plan of operation shall conform to the conditions prescribed by law or rule. The commissioner shall approve or disapprove the bylaws within 30 days unless a question as to the legality of a specific bylaw or plan provision has been referred to the

attorney general's office. The commissioner shall make a determination as to the application within 15 days after receipt of the requested response from the attorney general's office.

(b) After the initial application and the bylaws or plan of operation have been approved by the commissioner or at the time of the initial application, the group shall submit the names of employers that will be members of the group; an indemnity agreement providing for joint and several liability for all group members for any and all workers' compensation claims incurred by any member of the group, as set forth in Minnesota Rules, part 2780.9920, signed by an officer of each member; and an accounting review performed by a certified public accountant. A certified financial audit may be filed in lieu of an accounting review.

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of at least equal to the greater of ten times the retention selected with the workers' compensation reinsurance association or one-third of the current annual modified premium of the members. The requirements of this item shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses.

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this act. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Subd. 8. [PROCESSING APPLICATION.] The commissioner shall grant or deny the group's application to self-insure within 60 days after a complete application has been filed, provided that the time may be extended for an additional 30 days upon 15 days prior notice to the applicant. The commissioner shall grant approval for self-insurance upon a determination that the financial ability of the self-insurer's group is sufficient to fulfill all joint and several obligations of the member companies that may arise under chapter 176 or this act; the gross annual premium of the group members is at least \$300,000; the group has established a fund pursuant to Minnesota Rules, parts 2780.4100 to 2780.5000; the group has

contracted with a licensed workers' compensation service company to administer its program; the required securities or surety bond shall be on deposit prior to the effective date of coverage for any member. Approval shall be effective until revoked by order of the commissioner or until the employer members of the group become insured.

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar type businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within four months after the end of the fiscal year for that group, annually file a statement showing

the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Subd. 10. [ANNUAL AUDIT.] The accounts and records of the group self-insurer's fund shall be audited annually. Audits shall be made by certified public accountants, based on generally accepted accounting principles and generally accepted auditing standards, and supported by actuarial review and opinion of the future contingent liabilities, in order to determine the solvency of the self-insurer's fund. All audits required by this part shall be filed with the commissioner 90 days after the close of the fiscal year for the group self-insurer. The commissioner may require a special audit to be made at other times if the financial stability of the fund or the adequacy of its monetary reserves is in question.

Subd. 11. [JOINT AND SEVERAL LIABILITY.] All members of a private self-insurer group shall be jointly and severally liable for the obligations incurred by any member of the same group under chapter 176.

Subd. 12. [COMMISSIONER REVIEW.] The commissioner shall annually review the documents and reports filed by the private self-insurer.

Sec. 5. [176C.03] [PRIVATE SELF-INSURING EMPLOYER; ANNUAL RENEWAL OR DEPOSIT OF NEW SECURITY FOR PAYMENT OF COMPENSATION.]

Subdivision 1. [ANNUAL SECURING OF LIABILITY.] Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of the obligations of employers imposed under chapter 176 by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it must be posted within 60 days of the filing of the self-insured employer's annual report with the commissioner, but in no event later than July 1.

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society every two years for non-group member private self-insurers, and every year for group member private self-insurers. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited securities from any obligations under the posting or depositing.

Subd. 3. [TYPE OF ACCEPTABLE SECURITY.] The commissioner may only accept as security, and the employer shall deposit as security, cash, approved government securities, surety bonds, or irrevocable letters of credit in any combination. Interest or dividend income or other income generated by the security shall be paid to the member or, at the member's direction, applied to the member's security requirement. The current deposit shall include within its coverage all amounts covered by terminated surety bonds. As used in this chapter, an irrevocable letter of credit shall be accepted only if it is clean, irrevocable, and contains an evergreen clause.

(a) "Clean" means a letter of credit that is not conditioned on the delivery of any other documents or materials.

(b) "Irrevocable" means a letter of credit that cannot be modified or revoked without the consent of the beneficiary, once the beneficiary is established.

(c) "Evergreen clause" means one which specifically states that expiration of a letter of credit will not take place without a 60-day notice by the insurer and one which allows the issuer to conduct an annual review of the account party's financial condition. If prior

notice of expiration is not given by the issuer, the letter of credit is automatically extended for one year.

A clean irrevocable letter of credit shall be accepted only if it is in the form prescribed by statute and is issued by a financial institution that is authorized to engage in banking in any of the 50 states or under the laws of the United States and whose business is substantially confined to banking and supervised by the state commissioner of commerce or banking or similar official, and which has a long-term debt rating by a recognized national rating agency of investment grade or better. If no long-term debt rating is available, the financial institution must have the equivalent investment grade financial characteristics.

Subd. 4. [EXONERATION OF SECURITY.] Surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited with, and, except where specified by statute, in a form approved by the commissioner.

Subd. 5. [DEPOSIT WITH STATE TREASURER.] Securities shall be deposited on behalf of the commissioner by the self-insured employer with the state treasurer or a financial institution approved by the commissioner. Securities shall be accepted by the state treasurer for deposit and shall be withdrawn only upon written order of the commissioner.

Subd. 6. [CASH DEPOSITS.] Cash shall be deposited in a financial institution approved by the commissioner, and in the account assigned to the state treasurer. Cash shall be withdrawn only upon written order of the commissioner.

Subd. 7. [PERFECTION OF SECURITY.] Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the commissioner to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the state treasurer and is released only upon either of the following:

(1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or

(2) the return of cash or securities by the commissioner.

The private self-insured employer loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event of a declaration of bankruptcy or insolvency by a court of competent jurisdiction, or in the event of the

issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the self-insurer's security fund for application to the self-insured employers incurred liability.

Subd. 8. [RETURN OF EXCESS AMOUNTS OF SECURITY TO PRIVATE SELF-INSURED EMPLOYER.] The commissioner shall return on an annual basis to a private self-insured employer all amounts of security determined by the commissioner to be in excess of the statutory requirements to self-insure, including that necessary for administrative costs and legal fees, and the payment of any future workers' compensation claims.

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation obligations.

Subd. 10. [NOTICE; OBLIGATION OF FUND.] In the event of bankruptcy, insolvency, or certificate of default, the commissioner shall immediately notify the state treasurer, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security required in this chapter. At the time of notification, the commissioner shall also call the security and transfer and assign it to the self-insurer's security fund. The commissioner shall also immediately notify the self-insurers' security fund, and order the security fund to assume the insolvent self-insurers' obligations for which it is liable under chapter 176. The security fund shall commence payment of these obligations within 14 days of this notification and order. Payments shall be made to claimants whose entitlement to benefits can be ascertained by the security fund, with or without proceedings before the department of labor and industry, the office of administrative hearings, the workers' compensation court of appeals, or the Minnesota supreme court. Upon the assumption of obligations by the security fund pursuant to the commissioner's notification and order, the security fund has the right to immediate possession of any posted or deposited security and the custodian, surety, or issuer of any irrevocable letter of credit or the commissioner, if in possession of it, shall turn over the security, proceeds of the surety bond, or letter of credit to the security fund together with the interest that has accrued since the date of the self-insured

employer's insolvency. The self-insurers' security fund may administer payment of benefits, or it may retain a third-party administrator to do so.

Subd. 11. [PRIORITY.] Notwithstanding anything in this chapter to the contrary, any cash, securities, irrevocable letter of credit, specific excess or aggregate excess insurance proceeds, or any other security deposited or posted in accordance with this section shall be used first, when due, to pay workers' compensation claims. After that security has been exhausted, the payment of workers' compensation claims from self-insurers' security fund members' assessments may be made. Where the self-insurers' security fund member assessment account is used to pay workers' compensation claims on an emergency or an interim basis, pending receipt by the self-insurers' security fund of security which is due but not yet received, then the member assessment account shall be reimbursed for payment from the security when it is received, and the priorities stated above shall thereafter apply.

Subd. 12. [DUTY TO INFORM.] The commissioner shall be provided with any relevant information by the employer, any excess insurer, any third party administrator, or any issuer of any irrevocable letter of credit, issuer of any surety bond, or custodian of any security necessary for the commissioner to carry out the commissioner's obligations under this chapter. The commissioner shall provide this information to the self-insurers' security fund if necessary for the security fund to carry out its obligations under this chapter.

Subd. 13. [DISCHARGE AND RELEASE.] The payment of benefits by the self-insurers' security fund from security deposit proceeds shall release and discharge any custodian of the security deposit, surety, any issuer of a letter of credit, and the self-insured employer from liability to fulfill obligations to provide those same benefits as compensation, but does not release any person or entity from any liability to the security fund for full reimbursement. Any decision or determination made or any settlement approved by the commissioner or by an administrative law judge under subdivision 15 shall conclusively be presumed valid and binding as to all known claims arising out of the underlying dispute, unless an appeal is made pursuant to chapter 14. No security shall be exchanged more often than once every 90 days.

Subd. 14. [NOTICE TO SECURITY FUND.] The commissioner shall advise the self-insurers' security fund promptly after the receipt of information indicating that a private self-insurer may be unable to meet its compensation obligations. The commissioner shall advise the self-insurers' security fund of all determinations and directives and orders made or issued pursuant to this section.

Subd. 15. [DISPUTE RESOLUTION; APPEALS.] Disputes concerning the posting, renewal, termination, exoneration, or return of

all or any portion of the security deposit, or any liability arising out of the posting or failure to post security, or adequacy of the security or reasonableness of administrative costs, including legal fees, and arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, a private self-insurer, or the self-insurers' security fund shall be resolved by the commissioner. An appeal from the commissioner's written decision, determination, or order may be instituted pursuant to the contested case procedures of chapter 14. Payment of claims from the security deposit or by the self-insurers' security fund shall not be stayed pending the resolution of the disputes unless and until the administrative law judge issues a determination staying a payment of claims decision or determination of the commissioner or the self-insurers' security fund.

Subd. 16. [CERTIFICATE TO SELF-INSURE; REVOCATION.] If, following a private self-insurer's bankruptcy, insolvency, or certificate of default, the commissioner calls its security and proceeds in accordance with this section, the commissioner shall revoke the certificate to self-insure of the private self-insurer as soon as practicable but no later than 30 days after its security has been called.

Sec. 6. [176C.04] [REVOCATION OF CERTIFICATE TO SELF-INSURE.]

A certificate to self-insure may be revoked by the commissioner at any time for good cause. After revocation, the self-insurer may request a hearing. Good cause includes, among other things, failure to maintain a security deposit as required by this chapter, failure to pay assessments of the self-insurers' security fund, or the failure or inability of the employer to fulfill obligations under chapter 176 or this chapter. Good cause also includes failure to provide proof of renewal of the security 15 days before its expiration.

A self-insured employer must comply with section 176.181 and all applicable rules to operate during the pendency of its appeal of a decision under this section.

Sec. 7. [176C.05] [THIRD-PARTY ADMINISTRATOR.]

Subdivision 1. [CERTIFICATE TO SELF-INSURE.] No person, firm, or corporation, other than an insurer admitted to transact workers' compensation insurance in this state, shall contract to administer claims of self-insured employers as a third-party administrator unless qualified to do so pursuant to section 60A.23, subdivision 8.

Subd. 2. [LOCAL OFFICE.] A third-party administrator who contracts to administer claims of a self-insured employer shall

maintain an office in the state of Minnesota and shall be subject to regulation under this chapter and chapters 60A and 72A with respect to the adjustment, administration, and management of workers' compensation claims for any self-insured employer.

Subd. 3. [ANNUAL ESTIMATE OF LIABILITY.] A third-party administrator retained by a self-insured employer to administer the employer's workers' compensation claims shall estimate the total accrued liability of the employer for the payment of compensation for the employer's annual report to the commissioner and shall make the estimate both in good faith and with the exercise of a reasonable degree of care. The use of a third-party administrator does not discharge or alter the employer's responsibilities with respect to the report.

Subd. 4. [FAILURE TO SUBMIT REPORTS OR INFORMATION; PENALTY.] Failure to submit reports to the commissioner as required by this chapter may result in the assessment of a penalty which shall not exceed \$3,000 for each month or fraction thereof the report is past due. Failure to submit reports required by statute within 60 days from the due date without written consent of the commissioner shall result in the revocation of certificate to self-insure. Penalties shall be deposited in the self-insurers security fund.

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of sections 3 to 19 by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its

certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the last full calendar year of self-insurance on claims incurred during that year.

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14, within 30 days of the commissioner's written determination.

Any current or past member of the self-insurer's security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 8. [176C.06] [PREFERRED SUBROGATION RIGHTS OF SELF-INSURERS' SECURITY FUND OR SURETY.]

The self-insurers' security fund by making payment of compensation under this chapter has the same preference over the other debts of the principal or the principal's estate as is given by law to the person directly entitled to the compensation.

Sec. 9. [176C.07] [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting sections 9 to 11 to provide for the continuation of workers' compensation benefits delayed due to the failure of a private self-insured employer to meet its compensation obligations whenever the commissioner of commerce issues a certificate of default or there is a declaration of bankruptcy or insolvency by a court of competent jurisdiction. With respect to the continued liability of a surety for claims that arose under a bond after termination of that bond and to a surety's liability for the cost of administration of claims, it is the intent of the legislature to provide that that liability ceases upon lawful termination of that bond. This applies to all surety bonds which are purchased by the self-insured employer after the effective date of

this section. The legislature finds and declares that the establishment of the self-insurers' security fund is a necessary component of a complete system of workers' compensation, required by chapter 176, to have adequate provisions for the comfort, health, safety, and general welfare of any and all workers and their dependents to the extent of relieving the consequences of any industrial injury or death, and full provision for securing the payment of compensation.

Sec. 10. [176C.08] [SECURITY FUND.]

Subdivision 1. [CREATION.] The self-insurers' security fund is established as a nonprofit corporation pursuant to the Minnesota nonprofit corporation act, sections 317.01 to 317.69. If any provision of the Minnesota nonprofit corporation act conflicts with any provision of this chapter, the provisions of this chapter apply. Each private self-insurer who is self-insured on the effective date of this act, or who becomes self-insured thereafter, shall participate as a member in the security fund. This participation shall be a condition of maintaining its certificate to self-insure.

Subd. 2. [BOARD OF TRUSTEES.] The security fund shall be governed by a nine-member board of trustees. Five of the trustees shall be representatives of private self-insurers who shall be elected by the members of the security fund, other than group self-insurers, each member having one vote. One of the trustees shall be a representative of the private group self-insurers who shall be elected by the members of the security fund who are group self-insurers, each group having one vote. Three of the trustees, including the group self-insurer trustee, initially elected by the members shall serve two-year terms, and three shall serve four-year terms. Thereafter, trustees shall be elected to four-year terms, and shall serve until their successors are elected and assume office pursuant to the bylaws of the security fund. Three additional trustees shall be appointed by the commissioner. Two of these trustees shall serve four-year terms. One of those trustees shall serve a two-year term. Thereafter, the trustees shall be appointed to four-year terms, and shall serve until their successors are appointed and assume office pursuant to the bylaws of the security fund. In addition to the nine trustees elected by the members or appointed by the commissioner, the commissioner of labor and industry or the commissioner's designee shall be an ex officio, nonvoting member of the board of trustees. A member of the board of trustees may designate another person to act in the member's place as though the member were acting and the designee's actions shall be deemed those of the member.

Subd. 3. [BYLAWS.] The security fund shall establish bylaws and a plan of operation, subject to the prior approval of the commissioner necessary to the purposes of this chapter and to carry out the responsibilities of the security fund. The security fund may carry out its responsibilities directly or by contract, and may purchase

services and insurance and borrow funds as it deems necessary for the protection of the members and their employees.

Subd. 4. [CONFIDENTIAL INFORMATION.] The security fund may receive private data concerning the financial condition of private self-insurers whose liabilities to pay compensation have become its responsibility and shall adopt bylaws to prevent dissemination of that information.

Subd. 5. [EMPLOYEES.] Security fund employees are not state employees and are not subject to any state civil service regulations.

Sec. 11. [176C.09] [ASSUMPTION OF WORKERS' COMPENSATION OBLIGATIONS OF INSOLVENT SELF-INSURER.]

Subdivision 1. [ORDER OF COMMISSIONER.] Upon order of the commissioner pursuant to section 5, subdivision 10, the security fund shall assume the workers' compensation obligations of an insolvent private self-insurer.

Subd. 2. [ACT OR OMISSIONS; PENALTIES.] Notwithstanding subdivision 1, the security fund shall not be liable for the payment of any penalties assessed for any act or omission on the part of any person other than the security fund or its appointed administrator, including, but not limited to, the penalties provided in chapter 176 unless the security fund or its appointed administrator would be subject to penalties under chapter 176 as the result of the actions of the security fund or its administrator.

Subd. 3. [PARTY IN INTEREST.] The security fund shall be a party in interest in all proceedings involving compensation claims against an insolvent self-insurer whose compensation obligations have been paid or assumed by the security fund. The security fund shall have the same rights and defenses as the insolvent private self-insurer, including, but not limited to, all of the following:

- (1) to appear, defend, and appeal claims;
- (2) to receive notice of, investigate, adjust, compromise, settle, and pay claims; and
- (3) to investigate, handle, and deny claims.

Subd. 4. [PAYMENTS TO SECURITY FUND.] Notwithstanding anything in this chapter or chapter 176 to the contrary, in the event that the self-insurers' security fund assumes the obligations of any bankrupt or insolvent private self-insurer pursuant to this section, then the proceeds of any surety bond, workers' compensation reinsurance association, specific excess insurance or aggregate excess insurance policy, and any special compensation fund payment or

second injury fund or supplementary benefit reimbursements shall be paid to the self-insurers' security fund instead of the bankrupt or insolvent private self-insurer or its successor in interest. No special compensation fund reimbursements shall be made to the security fund unless the special compensation fund assessments pursuant to section 176.129 are paid and the reports required thereunder are made to the special compensation fund.

Sec. 12. [176C.10] [REIMBURSEMENT FOR OBLIGATIONS PAID AND ASSUMED.]

Subdivision 1. [INSOLVENT INSURER.] The security fund shall have the right and obligation to obtain reimbursement from an insolvent private self-insurer up to the amount of the private self-insurers' workers' compensation obligations paid and assumed by the security fund, including reasonable administrative and legal costs. This right includes, but is not limited to, a right to claim for wages and other necessities of life advanced to claimants as subrogee of the claimants in any action to collect against the private self-insurer as debtor.

Subd. 2. [SECURITY DEPOSITS.] The security fund shall have the right and obligation to obtain from the security deposit of an insolvent private self-insurer the amount of the private self-insurer's compensation obligations, including reasonable administrative and legal costs, paid or assumed by the security fund. Reimbursement of administrative costs, including legal costs, shall be subject to approval by a majority of the security fund's voting trustees. The security fund shall be a party in interest in any action to obtain the security deposit for the payment of compensation obligations of an insolvent self-insurer.

Subd. 3. [LEGAL ACTIONS.] The security fund shall have the right to bring an action against any person or entity to recover compensation paid and liability assumed by the security fund, including, but not limited to, any excess insurance carrier of the insolvent private self-insurer, and any person or entity whose negligence or breach of any obligation contributed to any underestimation of the private self-insurer's total accrued liability as reported to the commissioner.

Subd. 4. [PARTY IN INTEREST.] The security fund may be a party in interest in any action brought by any other person seeking damages resulting from the failure of an insolvent private self-insurer to pay workers' compensation required pursuant to this subdivision.

Sec. 13. [176C.11] [MAINTENANCE OF ASSETS OR LINE OF CREDIT TO CONTINUE PAYMENT OF COMPENSATION OBLIGATIONS.]

Subdivision 1. [ASSETS MAINTAINED.] The security fund shall maintain cash, readily marketable securities, or other assets, or a line of credit, approved by the commissioner, sufficient to immediately continue the payment of the compensation obligations of an insolvent private self-insurer pending receipt of the security deposit, surety bond proceeds, irrevocable letter of credit, or, if necessary, assessment of the members. The commissioner may establish the minimum amount to be maintained by, or immediately available to, the security fund for this purpose.

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed four percent of the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous calendar year. The annual assessment calculation shall not include workers' compensation benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments.

Sec. 14. [176C.12] [AUDIT; ANNUAL REPORT.]

The trustees shall annually contract for an independent certified audit of the financial activities of the fund. An annual report on the financial status of the fund as of June 30 shall be submitted to the commissioner and to each member.

The security fund shall be established on July 1, 1988, or 90 days after the effective date of this act, whichever occurs later. All applications for new and renewal private self-insurers which are made after the effective date of this act prior to the establishment of the security fund shall comply with all requirements of this chapter. Applications for new and renewal private self-insurers which are made after January 1, 1988, but prior to the effective date of this act shall, prior to the establishment of the security fund, comply with the requirements of this chapter. The security fund shall be liable for payment of benefits only for members where there has been a declaration of bankruptcy or insolvency by a court of competent jurisdiction after the date on which the security fund is established, or the commissioner has issued a certificate of default which has occurred after the date on which the security fund is established.

Sec. 15. [176C.13] [LETTER OF CREDIT FORM.]

The form for the letter of credit under this chapter shall be:

Effective Date

State of Minnesota (Beneficiary)
(Address)

Dear Sirs:

By order of (Self-Insurer) we are instructed
to open a clean irrevocable Letter of Credit in your favor for United
States \$ (Amount).

We undertake that drawings under this Letter of Credit will be
honored upon presentation of your draft drawn on (Self-
Insurer), at (Address) prior to expiration date.

The Letter of Credit expires on but will automatically
extend for an additional one year if you have not received by
registered mail notification of intention not to renew 60 days prior
to the original expiration date and each subsequent expiration date.

Except as expressly stated herein, this undertaking is not subject
to any condition or qualification. The obligation of
(issuing bank) under this letter of credit shall be the individual
obligation of (issuing bank), in no way contingent
upon reimbursement with respect thereto.

Very truly yours,

Sec. 16. [176C.14] [SURETY BOND FORM.]

The form for the surety bond hereunder shall be:

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SURETY BOND OF SELF-INSURER
OF WORKERS' COMPENSATION

IN THE MATTER OF THE CERTIFICATE OF)

) SURETY BOND

) NO.

) PREMIUM:

Employer, Certificate No:

KNOW ALL PERSONS BY THESE PRESENTS:

That
(Employer)

whose address is

as Principal, and
(Surety)

a corporation organized under the laws of
and authorized to transact a general surety business in the State of
Minnesota, as Surety, are held and firmly bound to the State of
Minnesota in the penal sum of
dollars (\$) for which payment we bind ourselves, our
heirs, executors, administrators, successors, and assigns, jointly and
severally, firmly by these presents.

WHEREAS in accordance with Minnesota Statutes, chapter 176,
the principal elected to self-insure, and made application for, or
received from the commissioner of commerce of the state of Minne-
sota, a certificate to self-insure, upon furnishing of proof satisfactory
to the commissioner of commerce of ability to self-insure and to
compensate any of all employees of said principal for injury or
disability, and their dependents for death incurred or sustained by
said employees, pursuant to the terms, provisions, and limitations of
said statute;

NOW THEREFORE, the conditions of this bond or obligation are
such that if principal shall pay and furnish compensation, pursuant
to the terms, provisions, and limitations of said statute to its
employees for injury or disability, and to the dependents of its
employees, then this bond or obligation shall be null and void;
otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. This bond may be amended, by agreement between the parties
hereto and the commissioner of commerce as to the identity of the
principal herein named and, by agreement of the parties hereto, as
to the premium or rate or premium. Such amendment must be by
endorsement upon, or rider to, this bond, executed by the surety and
delivered to or filed with the commissioner.

2. The surety does, by these presents, undertake and agree that
the obligation of this bond shall cover and extend to all past,
present, existing, and potential liability of said principal, as a
self-insurer, to the extent of the penal sum herein named without
regard to specific injuries, date or dates or injuries, happenings or
events.

3. The penal sum of this bond may be increased or decreased, by

agreement between the parties hereto and the commissioner of commerce, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, existing, and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided by law.

5. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

6. In the event of a change in the proprietorship of the principal or the appointment of a receiver or trustee for said principal and 30 days after the receipt of notice by the commissioner of commerce, state of Minnesota, given by registered or certified mail, by the principal or surety, herein named, the obligation of this bond shall terminate, save and except as to all past, present, existing, and potential liability of the principal incurred as a self-insurer. This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal, incurred as a self-insurer; and the principal and the surety, herein named, shall be notified in writing by said commissioner, in the event of such revocation.

7. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended and the surety shall begin payments within 30 days after receipt of written notification by the commissioner of commerce of Minnesota to begin payments under the terms of this bond.

8. When the surety exercises its obligation to pay claims, it shall pay benefits due to the principal's injured workers without a form award of a compensation judge, the commissioner of labor and industry, the workers' compensation court of appeals, or the Minnesota supreme court and such payment will be a credit against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations shall also be a charge against the penal sum of the bond, however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum of ten percent of the total penal sum of the bond pursuant to Minnesota Statutes. Payment by the surety of the principal's obligation for administra-

tive and legal expenses under said statute in an amount not to exceed ten percent of the penal sum of the bond shall satisfy in full the surety's obligation to pay said administrative and legal expenses of the principal.

9. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

10. If the commissioner of commerce directs the self-insurers' security fund to assume the payment of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176, the surety shall pay upon written demand by the commissioner and within 30 days of receipt of such demand to the self-insurers' security fund the entire penal sum of the bond that remains unpaid.

11. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the self-insurers' security fund shall be resolved by the commissioner of commerce pursuant to Minnesota Statutes, chapters 176 and 176C.

12. This bond is executed by the surety to comply with Minnesota Statutes, chapters 176 and 176C, and said bond shall be subject to all terms and provisions thereof.

.....
Name of Surety

.....
Address

.....
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the state of Minnesota that the foregoing is true and correct.

.....
Date

.....
Signature of Attorney-In-Fact

.....
Printed or Typed Name of Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of commissioner of commerce or must be included with this bond for such filing.

Sec. 17. [176C.15] [OPEN MEETING; ADMINISTRATIVE PROCEDURE ACT.]

The security fund and its board of trustees and the self-insurers eligibility advisory committee shall not be subject to the open meeting law, the open appointments law, the data privacy law, or, except where specifically set forth, the administrative procedure act.

Sec. 18. [176C.16] [RULES.]

The commissioner may adopt, amend, and repeal rules reasonably necessary to carry out the purposes of sections 3 to 19. This authorization includes, but is not limited to, the adoption of rules to do all of the following:

- (1) except as otherwise specifically provided by statute, specifying what constitutes ability to self-insure and to pay any compensation which may become due under chapter 176;
- (2) specifying what constitutes a failure or inability to fulfill an insolvent self-insurer's obligations under this chapter;
- (3) interpreting and defining the terms used in this chapter;
- (4) establishing procedures and standards for hearing and determinations, and providing for those determinations to be appealed;
- (5) except where otherwise specifically provided by statute specifying the standards, forms, and content of agreements, forms, and reports between parties who have obligations pursuant to this chapter;

(6) providing for the combinations and relative liabilities of security deposits, assumptions, and guarantees used pursuant to this chapter; and

(7) disclosing otherwise private data concerning self-insurers to courts or the self-insurers' security fund and specifying appropriate safeguards for that information.

The self-insurers' eligibility advisory committee may make recommendations to the commissioner under this section as it deems appropriate.

Sec. 19. [EXISTING RULES.]

If there is any inconsistency among any rule or statute and this act, this act shall govern.

Sec. 20. [REPEALER.]

Minnesota Statutes, 1987 Supplement, section 176.183, subdivision 1a, is repealed.

Sec. 21. [EFFECTIVE DATE.]

This act is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; amending Minnesota Statutes 1986, section 176.183, subdivision 3; Minnesota Statutes 1987 Supplement, 176.183, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1987 Supplement, section 176.183, subdivision 1a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2696, A resolution memorializing the President and Congress of the United States to design farm legislation designed to protect the family farm system.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Whereas, the family farm system has proven to be the means of food production best able to supply an ever expanding demand for food and at the same time to provide for the long-term, wide-based social, economic, and environmental concerns of our nation; and

Whereas, public policy, inflationary economy, and an unstable world situation combine to exert unbearable pressures on the family farm system; and

Whereas, providing incentives for unlimited production unfairly encourages large scale corporate farming operations at the expense of family farmers; and

Whereas, the benefits of a healthy family farm system are shared by all citizens; and

Whereas, corporate agriculture and agricultural conglomerates cannot be sensitive to the local needs of a richly diversified rural economy; Now, Therefore,

Be It Resolved by the Legislature of the State of Minnesota that Congress should enact legislation to establish price supports for dairy products at 80 percent of parity for up to 1,000,000 pounds of production per farm unit per year; that this level be adjusted semiannually; and that there be limits set on the importation of dairy products and substitutes including casein.

Be It Further Resolved that the \$.50 per hundredweight reduction in the support price of milk that went into effect on January 1, 1988, be reversed immediately and that all resulting reductions in dairy farmer milk checks be restored by lump sum payments.

Be It Further Resolved that the \$.50 reduction in the support prices of milk scheduled for January 1, 1989, be eliminated.

Be It Further Resolved that formulas used by the United States Department of Agriculture to establish different support prices in locations covered by various milk marketing orders be adjusted to reestablish fairness and equity for the Upper Midwest.

Be It Further Resolved that target price supports for other farm commodities not be abandoned but be statutorily established at a level not to fall below 75 percent of parity and be limited so that no single farming operation receive annual target price support payments totaling more than \$20,000.

Be It Further Resolved that the Farmer-Owned Reserve program be continued in its present form with the basic commodity loan rate set at the cost of production, and that these loans be limited to \$150,000 per farm unit per year, the reserve level set at 110 percent

of the loan rate, the release level set at 120 percent of the loan rate, and the call level at 140 percent of the loan rate except in cases where the exportation of a commodity has been restricted by United States governmental, labor, or management activities that infringe upon the movement of agricultural commodities in which case the loan rate for the commodity would be set at 100 percent of parity.

Be It Further Resolved that the President of the United States immediately direct the Commissioner of Agriculture to maximize on-farm storage of Farmer-Owned Reserve grain stocks.

Be It Further Resolved that the implementation and administration of all federal farm programs be primarily the responsibility of the state and local Agricultural Stabilization and Conservation Service offices, and that these offices be given the flexibility necessary to serve their districts adequately.

Be It Further Resolved that the Secretary of State of the State of Minnesota is instructed to transmit copies of this memorial to the President of the United States, the President and Secretary of the Senate of the United States, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, and to the members of the Agriculture Committees of the United States Senate and House of Representatives."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2700, A bill for an act relating to labor; providing for conformity with federal minimum wage; amending Minnesota Statutes 1987 Supplement, section 177.24, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

S. F. No. 604, A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, sections 10A.01, subdivision 15; 10A.04,

subdivisions 2 and 4; and 10A.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; REGULATION.] A registered lobbyist, political committee, or political fund may not make a contribution to a candidate for the state legislature or to the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate during a regular session of the legislature.

Subd. 2. [SOLICITATION PROHIBITED.] A candidate for the state legislature or the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate may not knowingly solicit a registered lobbyist, political committee, or political fund for a contribution during a regular session of the legislature.

Subd. 3. [PENALTY.] A candidate, registered lobbyist, political committee, or political fund that violates this section is subject to a civil fine of up to \$500. If the state ethical practices board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Subd 4. [SPECIAL ELECTION.] This section does not apply to candidates in a legislative special election.

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a political party as defined in section 10A.27, subdivision 4.”

Delete the title and insert:

“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.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1346, 1469, 1526, 1534, 1630, 1658, 1674, 1701, 1702, 1736, 1745, 1780, 1812, 1848, 1860, 1873, 1880, 1897, 1925, 1935, 1957, 1996, 2006, 2021, 2024, 2054, 2086, 2101, 2104, 2108, 2118, 2120, 2134, 2176, 2178, 2181, 2192, 2193, 2204, 2210, 2228, 2235, 2269, 2298, 2309, 2331, 2341, 2349, 2359, 2364, 2368, 2391, 2394, 2414, 2423, 2446, 2450, 2475, 2478, 2481, 2485, 2491, 2514, 2526, 2537, 2539, 2540, 2542, 2546, 2558, 2559, 2567, 2579, 2596, 2615, 2629, 2642, 2643, 2688, 2696 and 2700 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 604 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Knuth and Nelson, D., introduced:

H. F. No. 2728, A bill for an act relating to natural resources; recodifying groundwater law; protecting groundwater; providing a cost-share program to protect abandoned wells; identifying fragile groundwater recharge areas; providing fragile groundwater recharge areas may be placed in the conservation reserve program; identification of wells on state property; prohibiting purchase of state land without identifying wells on the property; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, and by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 105E; repealing Minnesota Statutes 1986, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621, subdivision 1; 156A.02; 156A.03; 156A.031, subdivision 1; 156A.04; 156A.05; 156A.06, subdivision 1; 156A.07, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 156A.071; 156A.075; 156A.08; 156A.10; 156A.11; Minnesota Statutes 1987 Supplement, sections 105.416; 105.51; and 469.141.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simoneau introduced:

H. F. No. 2729, A bill for an act relating to taxation; designating a medical enterprise park opportunity zone in the city of Coon Rapids; providing tax benefits for the zone; appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander and Jennings introduced:

H. F. No. 2730, A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

Nelson, C., and Brown introduced:

H. F. No. 2731, A bill for an act relating to the judiciary; permitting the application of bail to pay court-ordered restitution; amending Minnesota Statutes 1986, section 629.53.

The bill was read for the first time and referred to the Committee on Judiciary.

Simoneau introduced:

H. F. No. 2732, A bill for an act relating to retirement; St. Paul teachers retirement fund association; approving a bylaw amendment implementing five-year vesting for certain benefits.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Ogren introduced:

H. F. No. 2733, A bill for an act relating to agriculture; appropri-

ating money for sustainable agriculture; repealing Laws 1987, chapter 396, article 12, section 6, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Blatz, Wenzel, Heap and Rest introduced:

H. F. No. 2734, A bill for an act relating to crimes; requiring mandatory minimum terms of imprisonment for soliciting, inducing, or promoting prostitution or receiving profits derived from prostitution; amending Minnesota Statutes 1986, sections 609.322, by adding subdivisions; and 609.323, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Judiciary.

Olson, K.; Hugoson; Sparby and Wenzel introduced:

H. F. No. 2735, A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

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, Olson, K., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2735 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Olson, K., moved that the Rules of the House be so far suspended that H. F. No. 2735 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 2735 was read for the second time.

There being no objection, H. F. No. 2735 was temporarily laid over.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, CONTINUED

Simoneau introduced:

H. F. No. 2736, A bill for an act relating to state government; transferring administration and financing of the district court to the

state; proposing coding for new law in Minnesota Statutes, chapter 485.

The bill was read for the first time and referred to the Committee on Judiciary.

Kahn introduced:

H. F. No. 2737, A bill for an act relating to elections; providing for a presidential primary election; amending Minnesota Statutes 1986, sections 202A.13; 204D.03, by adding a subdivision; 204D.06; and 204D.08, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 202A.14, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Frederick, Morrison, Poppenhagen, Hugoson and DeRaad introduced:

H. F. No. 2738, A bill for an act relating to unclaimed property; providing for the disposition of unclaimed money held by counties; amending Minnesota Statutes 1986, section 345.38, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K., introduced:

H. F. No. 2739, A bill for an act relating to education; providing matching grants to school districts for participation in the Center for Applied Research and Education Improvement; appropriating money.

The bill was read for the first time and referred to the Committee on Education.

Battaglia introduced:

H. F. No. 2740, A bill for an act relating to capital improvements; authorizing recovery of losses and expenses resulting from an arbitration award for a construction project at Ironworld; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Burger, Gutknecht, McDonald, Otis and Sparby introduced:

H. F. No. 2741, A bill for an act relating to taxation; property tax; allowing cities and counties to adopt a two-rate tax structure; 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.

Price, Vanasek, Munger, Rose and Beard introduced:

H. F. No. 2742, A resolution memorializing the Congress of the United States to adequately fund the Fish and Wildlife Service.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Heap and Knickerbocker introduced:

H. F. No. 2743, A bill for an act relating to soil and water conservation; amending Minnesota Statutes 1987 Supplement, section 40.43, subdivision 6.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Winter, Price, Pappas, Sarna and Skoglund introduced:

H. F. No. 2744, A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and loan officers and general mortgage brokers and individual mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 82B.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted.

Senate Concurrent Resolution No. 21,

A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1958.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1958, A bill for an act relating to employment; requiring rest breaks during the work day; amending Minnesota Statutes 1986, section 177.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 177.

The bill was read for the first time.

Trimble moved that S. F. No. 1958 and H. F. No. 2251, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1731, A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store.

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.	Frerichs	Krueger	Onnen	Schreiber
Anderson, R.	Greenfield	Larsen	Orenstein	Seaberg
Battaglia	Gruenes	Lasley	Osthoff	Segal
Bauerly	Gutknecht	Lieder	Otis	Simoneau
Beard	Hartle	Long	Ozment	Skoglund
Begich	Heap	Marsh	Pappas	Solberg
Bennett	Himle	McDonald	Pauly	Stanius
Bertram	Hugoson	McEachern	Pelowski	Steensma
Blatz	Jacobs	McKasy	Peterson	Sviggum
Boo	Jaros	McLaughlin	Poppenhagen	Swenson
Brown	Jefferson	Milbert	Price	Thiede
Burger	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Cooper	Johnson, V.	Murphy	Rest	Uphus
Dauner	Kahn	Nelson, C.	Rice	Valento
Dawkins	Kalis	Nelson, D.	Richter	Veilenga
DeBlieck	Kelly	Neuenschwander	Riveness	Voss
Dempsey	Kelso	O'Connor	Rodosovich	Wagenius
DeRaad	Kinkel	Ogren	Rose	Waltman
Dille	Kludt	Olsen, S.	Rukavina	Welle
Dorn	Knickerbocker	Olson, E.	Sarna	Wenzel
Forsythe	Knuth	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1732, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, 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 111 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kelly	Morrison	Price
Anderson, R.	Dille	Kelso	Munger	Quinn
Battaglia	Dorn	Kinkel	Murphy	Quist
Bauerly	Forsythe	Kludt	Nelson, C.	Redalen
Beard	Frederick	Knickerbocker	Neuenschwander	Reding
Begich	Greenfield	Knuth	O'Connor	Rest
Bennett	Gruenes	Kostohryz	Ogren	Riveness
Bertram	Hartle	Krueger	Olsen, S.	Rodosovich
Bishop	Haukoos	Larsen	Olson, E.	Rose
Blatz	Heap	Lasley	Omann	Rukavina
Boo	Himle	Lieder	Orenstein	Sarna
Brown	Hugoson	Long	Osthoff	Scheid
Carlson, L.	Jacobs	Marsh	Otis	Schreiber
Carruthers	Jaros	McEachern	Ozment	Seaberg
Clark	Jefferson	McKasy	Pappas	Segal
Cooper	Jennings	McLaughlin	Pauly	Simoneau
Dawkins	Jensen	McPherson	Pelowski	Solberg
DeBlieck	Johnson, A.	Milbert	Peterson	Sparby
Dempsey	Kahn	Minne	Poppenhagen	Stanius

Steensma	Trimble	Vellenga	Wenzel
Swenson	Tunheim	Voss	Winter
Thiede	Uphus	Wagenius	Wynia
Tjornhom	Valento	Welle	Spk. Vanasek

Those who voted in the negative were:

Burger	Frerichs	Kalis	Olson, K.	Tompkins
Carlson, D.	Johnson, R.	McDonald	Schafer	Waltman
Dauner	Johnson, V.	Nelson, D.	Skoglund	

The bill was passed and its title agreed to.

The Speaker called Knickerbocker to the Chair.

H. F. No. 1767, A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Larsen	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Simoneau
Bauerly	Gutknecht	Lieder	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Haukoos	Marsh	Pappas	Sparby
Bennett	Heap	McDonald	Pauly	Stanisus
Bertram	Himle	McEachern	Pelowski	Steensma
Blatz	Hugoson	McKasy	Peterson	Sviggum
Boo	Jacobs	McLaughlin	Poppenhagen	Swenson
Brown	Jaros	McPherson	Price	Thiede
Burger	Jefferson	Milbert	Quinn	Tjornhom
Carlson, D.	Jennings	Miller	Quist	Tompkins
Carlson, L.	Jensen	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Morrison	Reding	Tunheim
Clark	Johnson, R.	Munger	Rest	Uphus
Cooper	Johnson, V.	Murphy	Rice	Valento
Dauner	Kahn	Nelson, C.	Richter	Vellenga
Dawkins	Kalis	Nelson, D.	Riveness	Voss
DeBlicke	Kelly	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kelso	O'Connor	Rose	Waltman
DeRaad	Kinkel	Ogren	Rukavina	Welle
Dille	Kludt	Olsen, S.	Sarna	Wenzel
Dorn	Knickerbocker	Olson, E.	Schafer	Winter
Forsythe	Knuth	Olson, K.	Scheid	Wynia
Frederick	Kostohryz	Omann	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1831, A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker County; authorizing issuance of an on-sale liquor license to Fort Snelling.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knickerbocker	Onnen	Shaver
Anderson, R.	Frederick	Knuth	Orenstein	Simoneau
Battaglia	Frerichs	Kostohryz	Otis	Skoglund
Bauerly	Greenfield	Krueger	Ozment	Solberg
Beard	Gruenes	Larsen	Pappas	Sparby
Begich	Gutknecht	Lasley	Pauly	Stanius
Bennett	Hartle	Lieder	Pelowski	Steensma
Bertram	Haukoos	Marsh	Peterson	Swenson
Bishop	Heap	McDonald	Poppenhagen	Tjornhom
Blatz	Himle	McEachern	Price	Tompkins
Boo	Hugoson	McKasy	Quinn	Trimble
Brown	Jacobs	McLaughlin	Redalen	Tunheim
Burger	Jaros	McPherson	Reding	Uphus
Carlson, D.	Jefferson	Milbert	Rest	Valento
Carlson, L.	Jennings	Minne	Richter	Vellenga
Carruthers	Jensen	Morrison	Riveness	Voss
Clark	Johnson, A.	Munger	Rodosovich	Wagenius
Cooper	Johnson, R.	Murphy	Rose	Waltman
Dauner	Johnson, V.	Nelson, C.	Rukavina	Welle
Dawkins	Kahn	Neuenschwander	Sarna	Wenzel
DeBlicck	Kalis	O'Connor	Schafer	Winter
Dempsey	Kelly	Ogren	Scheid	Wynia
DeRaad	Kelso	Olsen, S.	Schreiber	Spk. Vanasek
Dille	Kinkel	Olsen, E.	Seaberg	
Dorn	Kludt	Omann	Segal	

Those who voted in the negative were:

Olson, K. Osthoff

The bill was passed and its title agreed to.

H. F. No. 1904, A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

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.	Frerichs	Larsen	Orenstein	Shaver
Anderson, R.	Greenfield	Lasley	Osthoff	Simoneau
Battaglia	Gruenes	Lieder	Otis	Skoglund
Bauerly	Gutknecht	Long	Ozment	Solberg
Beard	Hartle	Marsh	Pappas	Sparby
Begich	Haukoos	McDonald	Pauly	Stanius
Bennett	Heap	McEachern	Pelowski	Steensma
Bertram	Himle	McKasy	Peterson	Sviggum
Bishop	Hugoson	McLaughlin	Poppenhagen	Swenson
Blatz	Jacobs	McPherson	Price	Thiede
Brown	Jefferson	Milbert	Quinn	Tjornhom
Burger	Jennings	Miller	Quist	Tompkins
Carlson, D.	Jensen	Minne	Redalen	Trimble
Carlson, L.	Johnson, A.	Morrison	Reding	Tunheim
Carruthers	Johnson, R.	Munger	Rest	Uphus
Clark	Johnson, V.	Murphy	Richter	Valento
Cooper	Kahn	Nelson, C.	Riveness	Vellenga
Dauner	Kalis	Nelson, D.	Rodosovich	Voss
Dawkins	Kelly	Neuenschwander	Rose	Wagenius
DeBlicek	Kelso	O'Connor	Rukavina	Waltman
Dempsey	Kinkel	Ogren	Sarna	Welle
DeRaad	Kludt	Olsen, S.	Schafer	Wenzel
Dille	Knickerbocker	Olson, E.	Scheid	Winter
Dorn	Knuth	Olson, K.	Schreiber	Wynia
Forsythe	Kostohryz	Omann	Seaberg	Spk. Vanasek
Frederick	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

H. F. No. 2022, A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Jennings	McDonald	Orenstein
Anderson, R.	DeBlicek	Jensen	McEachern	Osthoff
Battaglia	Dempsey	Johnson, A.	McKasy	Ozment
Bauerly	DeRaad	Johnson, R.	McLaughlin	Pappas
Beard	Dille	Johnson, V.	McPherson	Pauly
Begich	Dorn	Kahn	Milbert	Pelowski
Bennett	Forsythe	Kalis	Miller	Peterson
Bertram	Frederick	Kelly	Minne	Poppenhagen
Bishop	Frerichs	Kelso	Morrison	Price
Blatz	Greenfield	Kinkel	Munger	Quinn
Boo	Gruenes	Kludt	Murphy	Quist
Brown	Gutknecht	Knickerbocker	Nelson, C.	Redalen
Burger	Hartle	Knuth	Nelson, D.	Reding
Carlson, D.	Haukoos	Kostohryz	Neuenschwander	Rest
Carlson, L.	Heap	Krueger	O'Connor	Rice
Carruthers	Himle	Larsen	Ogren	Richter
Clark	Hugoson	Lasley	Olsen, S.	Riveness
Clausnitzer	Jacobs	Lieder	Olson, K.	Rodosovich
Cooper	Jaros	Long	Omann	Rose
Dauner	Jefferson	Marsh	Onnen	Rukavina

Sarna	Simoneau	Swenson	Valento	Winter
Schafer	Skoglund	Thiede	Vellenga	Wynia
Scheid	Solberg	Tjornhom	Voss	Spk. Vanasek
Schreiber	Sparby	Tompkins	Wagenius	
Seaberg	Stanisus	Trimble	Waltman	
Segal	Steensma	Tunheim	Welle	
Shaver	Sviggum	Uphus	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 2254, A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the Pheasant Ridge Music 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 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knickerbocker	Olson, K.	Schreiber
Anderson, R.	Frederick	Knuth	Omann	Seaberg
Battaglia	Frerichs	Kostohryz	Onnen	Segal
Bauerly	Greenfield	Krueger	Orenstein	Shaver
Beard	Gruenes	Larsen	Osthoff	Simoneau
Begich	Gutknecht	Lasley	Otis	Skoglund
Bennett	Hartle	Lieder	Ozment	Solberg
Bertram	Haukoos	Long	Pappas	Sparby
Blatz	Heap	Marsh	Pauly	Steensma
Boo	Himle	McDonald	Pelowski	Sviggum
Brown	Hugoson	McEachern	Peterson	Swenson
Burger	Jacobs	McKasy	Poppenhagen	Thiede
Carlson, D.	Jaros	McLaughlin	Price	Tjornhom
Carlson, L.	Jefferson	McPherson	Quinn	Tompkins
Carruthers	Jennings	Milbert	Quist	Trimble
Clark	Jensen	Miller	Redalen	Tunheim
Clausnitzer	Johnson, A.	Minne	Reding	Uphus
Cooper	Johnson, R.	Morrison	Rest	Valento
Dauner	Johnson, V.	Munger	Riveness	Vellenga
Dawkins	Kahn	Nelson, C.	Rodosovich	Wagenius
DeBlieck	Kalis	Neuenschwander	Rose	Waltman
Dempsey	Kelly	O'Connor	Rukavina	Welle
DeRaad	Kelso	Ogren	Sarna	Wenzel
Dille	Kinkel	Olsen, S.	Schafer	Winter
Dorn	Kludt	Olson, E.	Scheid	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Stanisus Voss

The bill was passed and its title agreed to.

H. F. No. 2358, A bill for an act relating to state lands; authorizing

sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Long	Pappas	Sparby
Beard	Hartle	Marsh	Pauly	Stanius
Begich	Haukoos	McDonald	Pelowski	Steensma
Bennett	Heap	McEachern	Peterson	Sviggum
Bertram	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlicek	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2402, A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, 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 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bauerly	Bennett	Boo	Carlson, D.
Anderson, R.	Beard	Bertram	Brown	Carlson, L.
Battaglia	Begich	Blatz	Burger	Carruthers

Clark	Jefferson	McLaughlin	Pauly	Simoneau
Clausnitzer	Jennings	McPherson	Pelowski	Skoglund
Cooper	Jensen	Milbert	Peterson	Solberg
Dauner	Johnson, A.	Miller	Poppenhagen	Sparby
Dawkins	Johnson, R.	Minne	Price	Stanius
DeBlieck	Kahn	Morrison	Quinn	Steensma
Dempsey	Kalis	Munger	Quist	Sviggum
DeRaad	Kelly	Murphy	Redalen	Swenson
Dille	Kelso	Nelson, C.	Reding	Thiede
Dorn	Kinkel	Nelson, D.	Rest	Tjornhom
Forsythe	Kludt	Neuenschwander	Rice	Tompkins
Frederick	Knickerbocker	O'Connor	Richter	Trimble
Frerichs	Knuth	Ogren	Riveness	Tunheim
Greenfield	Kostohryz	Olsen, S.	Rodosovich	Uphus
Gruenes	Krueger	Olson, E.	Rose	Valento
Gutknecht	Larsen	Olson, K.	Rukavina	Vellenga
Hartle	Lasley	Omann	Sarna	Voss
Haukoos	Lieder	Onnen	Schafer	Wagenius
Heap	Long	Orenstein	Scheid	Welle
Himle	Marsh	Osthoff	Schreiber	Wenzel
Hugoson	McDonald	Otis	Seaberg	Winter
Jacobs	McEachern	Ozment	Segal	Wynia
Jaros	McKasy	Pappas	Shaver	Spk. Vanasek

Those who voted in the negative were:

Johnson, V. Waltman

The bill was passed and its title agreed to.

H. F. No. 2449, A bill for an act relating to agriculture; directing the commissioner of agriculture to study ownership of Minnesota farmland by limited partnerships.

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.	Dawkins	Jaros	Lasley	O'Connor
Anderson, R.	DeBlieck	Jefferson	Lieder	Ogren
Battaglia	Dempsey	Jennings	Long	Olsen, S.
Bauerly	DeRaad	Jensen	Marsh	Olson, E.
Beard	Dille	Johnson, A.	McDonald	Olson, K.
Begich	Dorn	Johnson, R.	McEachern	Omann
Bennett	Forsythe	Johnson, V.	McKasy	Onnen
Bertram	Frederick	Kahn	McLaughlin	Orenstein
Blatz	Frerichs	Kalis	McPherson	Osthoff
Boo	Greenfield	Kelly	Milbert	Otis
Brown	Gruenes	Kelso	Miller	Ozment
Burger	Gutknecht	Kinkel	Minne	Pappas
Carlson, D.	Hartle	Kludt	Morrison	Pauly
Carlson, L.	Haukoos	Knickerbocker	Munger	Pelowski
Carruthers	Heap	Knuth	Murphy	Peterson
Clark	Himle	Kostohryz	Nelson, C.	Poppenhagen
Cooper	Hugoson	Krueger	Nelson, D.	Price
Dauner	Jacobs	Larsen	Neuenschwander	Quinn

Quist	Rose	Skoglund	Tjornhom	Wagenius
Redalen	Rukavina	Solberg	Tompkins	Waltman
Reding	Sarna	Sparby	Trimble	Welle
Rest	Schafer	Stanius	Tunheim	Wenzel
Rice	Scheid	Steensma	Uphus	Winter
Richter	Seaberg	Sviggum	Valento	Wynia
Riveness	Segal	Swenson	Vellenga	Spk. Vanasek
Rodosovich	Simoneau	Thiede	Voss	

The bill was passed and its title agreed to.

H. F. No. 2463, A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Segal
Anderson, R.	Greenfield	Larsen	Osthoff	Shaver
Battaglia	Gruenes	Lasley	Otis	Simoneau
Bauerly	Gutknecht	Lieder	Ozment	Skoglund
Beard	Hartle	Marsh	Pappas	Solberg
Begich	Haukoos	McDonald	Pauly	Sparby
Bennett	Heap	McEachern	Pelowski	Stanius
Bertram	Himle	McKasy	Peterson	Steensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Boo	Jacobs	McPherson	Price	Swenson
Brown	Jaros	Milbert	Quinn	Thiede
Burger	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, A.	Munger	Rest	Tunheim
Clark	Johnson, R.	Murphy	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Valento
Cooper	Kahn	Nelson, D.	Riveness	Vellenga
Dauner	Kalis	Neuenschwander	Rodosovich	Voss
Dawkins	Kelly	O'Connor	Rose	Waltman
DeBlieck	Kelso	Ogren	Rukavina	Welle
Dempsey	Kinkel	Olsen, S.	Sarna	Wenzel
DeRaad	Kludt	Olson, E.	Schafer	Winter
Dille	Knickerbocker	Olson, K.	Scheid	Wynia
Dorn	Knuth	Omann	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2469, A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

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.	Frederick	Kostohryz	Onnen	Shaver
Anderson, R.	Frerichs	Krueger	Orenstein	Simoneau
Battaglia	Greenfield	Larsen	Osthoff	Skoglund
Bauerly	Gruenes	Lasley	Ozment	Solberg
Beard	Gutknecht	Lieder	Pappas	Sparby
Begich	Hartle	Long	Pauly	Stanisus
Bennett	Haukoos	Marsh	Pelowski	Steensma
Bertram	Heap	McDonald	Peterson	Sviggum
Bishop	Himle	McEachern	Poppenhagen	Swenson
Blatz	Hugoson	McKasy	Price	Thiede
Boo	Jacobs	McLaughlin	Quinn	Tjornhom
Brown	Jaros	McPherson	Quist	Tompkins
Burger	Jefferson	Milbert	Redalen	Trimble
Carlson, D.	Jennings	Miller	Reding	Tunheim
Carlson, L.	Jensen	Minne	Rest	Valento
Clark	Johnson, A.	Morrison	Rice	Vellenga
Clausnitzer	Johnson, R.	Munger	Richter	Wagenius
Cooper	Johnson, V.	Murphy	Riveness	Waltman
Dauner	Kahn	Nelson, C.	Rodosovich	Welle
Dawkins	Kalis	Nelson, D.	Rose	Wenzel
DeBlicke	Kelly	Neuenschwander	Rukavina	Winter
Dempsey	Kelso	Ogren	Schafer	Wynia
DeRaad	Kinkel	Olsen, S.	Scheid	Spk. Vanasek
Dille	Kludt	Olsen, E.	Schreiber	
Dorn	Knickerbocker	Olsen, K.	Seaberg	
Forsythe	Knuth	Omann	Segal	

The bill was passed and its title agreed to.

H. F. No. 2509, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	DeBlicke	Gutknecht	Jensen
Anderson, R.	Burger	Dempsey	Hartle	Johnson, A.
Battaglia	Carlson, D.	DeRaad	Haukoos	Johnson, R.
Bauerly	Carlson, L.	Dille	Heap	Johnson, V.
Beard	Carruthers	Dorn	Himle	Kahn
Begich	Clark	Forsythe	Hugoson	Kalis
Bennett	Clausnitzer	Frederick	Jacobs	Kelly
Bertram	Cooper	Frerichs	Jaros	Kelso
Bishop	Dauner	Greenfield	Jefferson	Kinkel
Blatz	Dawkins	Gruenes	Jennings	Kludt

Knickerbocker	Minne	Otis	Rodosovich	Sviggum
Knuth	Morrison	Ozment	Rose	Thiede
Kostohryz	Munger	Pappas	Rukavina	Tjornhom
Krueger	Murphy	Pauly	Sarna	Tompkins
Larsen	Nelson, C.	Pelowski	Schafer	Trimble
Lasley	Nelson, D.	Peterson	Scheid	Tunheim
Lieder	Neuenschwander	Poppenhagen	Schreiber	Uphus
Long	O'Connor	Price	Seaberg	Valento
Marsh	Ogren	Quinn	Segal	Vellenga
McDonald	Olsen, S.	Quist	Shaver	Voss
McEachern	Olson, E.	Redalen	Simoneau	Wagenius
McKasy	Olson, K.	Reding	Skoglund	Waltman
McLaughlin	Omann	Rest	Solberg	Welle
McPherson	Onnen	Rice	Sparby	Wenzel
Milbert	Orenstein	Richter	Stanius	Winter
Miller	Osthoff	Riveness	Steensma	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2529, A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, 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.	Frederick	Kostohryz	Onnen	Segal
Anderson, R.	Frerichs	Krueger	Orenstein	Shaver
Battaglia	Greenfield	Larsen	Osthoff	Simoneau
Bauerly	Gruenes	Lasley	Otis	Skoglund
Beard	Gutknecht	Lieder	Ozment	Solberg
Begich	Hartle	Long	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steensma
Bishop	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Thiede
Brown	Jacobs	McPherson	Price	Tjornhom
Burger	Jaros	Milbert	Quinn	Tompkins
Carlson, D.	Jefferson	Miller	Quist	Trimble
Carlson, L.	Jennings	Minne	Redalen	Tunheim
Carruthers	Jensen	Morrison	Reding	Uphus
Clark	Johnson, A.	Munger	Rest	Valento
Clausnitzer	Johnson, R.	Murphy	Richter	Vellenga
Cooper	Johnson, V.	Nelson, C.	Riveness	Voss
Dauner	Kahn	Nelson, D.	Rodosovich	Wagenius
Dawkins	Kalis	Neuenschwander	Rose	Waltman
DeBlick	Kelly	O'Connor	Rukavina	Welle
Dempsey	Kelso	Ogren	Sarna	Wenzel
DeRaad	Kinkel	Olsen, S.	Schafer	Winter
Dille	Kludt	Olson, E.	Scheid	Wynia
Dorn	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Knuth	Omann	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1681, A bill for an act relating to civil actions; modifying the statute of limitations for damages based on services or construction to improve real property; amending Minnesota Statutes 1986, section 541.051, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Seaberg
Anderson, R.	Greenfield	Larsen	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Shaver
Bauerly	Gutknecht	Lieder	Otis	Simoneau
Beard	Hartle	Long	Ozment	Skoglund
Begich	Haukoos	Marsh	Pappas	Solberg
Bennett	Heap	McDonald	Pauly	Sparby
Bertram	Himle	McEachern	Pelowski	Stanius
Bishop	Hugoson	McKasy	Peterson	Steensma
Blatz	Jacobs	McLaughlin	Poppenhagen	Sviggum
Brown	Jaros	McPherson	Price	Thiede
Burger	Jefferson	Milbert	Quinn	Tjornhom
Carlson, D.	Jennings	Miller	Quist	Tompkins
Carlson, L.	Jensen	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Morrison	Reding	Tunheim
Clark	Johnson, R.	Munger	Rest	Uphus
Clausnitzer	Johnson, V.	Murphy	Rice	Valento
Cooper	Kahn	Nelson, C.	Richter	Vellenga
Dauner	Kalis	Nelson, D.	Riveness	Voss
Dawkins	Kelly	Neuenschwander	Rodosovich	Wagenius
DeBlicek	Kelso	O'Connor	Rose	Waltman
Dempsey	Kinkel	Ogren	Rukavina	Welle
DeRaad	Kludt	Olson, S.	Sarna	Wenzel
Dille	Knickerbocker	Olson, E.	Schafer	Winter
Dorn	Knuth	Olson, K.	Scheid	Wynia
Forsythe	Kostohryz	Omann	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1774, A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Statutes 1986, sections 340A.801, subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, 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.	Begich	Boo	Carlson, L.	Cooper
Anderson, R.	Bennett	Brown	Carruthers	Dauner
Battaglia	Bertram	Burger	Clark	Dawkins
Bauerly	Blatz	Carlson, D.	Clausnitzer	DeBlicek

Dempsey	Johnson, V.	Minne	Poppenhagen	Solberg
DeRaad	Kahn	Morrison	Price	Stanius
Dille	Kalis	Munger	Quinn	Steensma
Dorn	Kelly	Nelson, C.	Quist	Sviggum
Forsythe	Kelso	Nelson, D.	Redalen	Swenson
Frederick	Kinkel	Neuenschwander	Reding	Thiede
Greenfield	Knickerbocker	O'Connor	Rest	Tjornhom
Gruenes	Knuth	Ogren	Rice	Tompkins
Gutknecht	Kostohryz	Olson, S.	Richter	Trimble
Hartle	Krueger	Olson, E.	Riveness	Tunheim
Haukoos	Larsen	Olson, K.	Rodosovich	Uphus
Heap	Lasley	Omman	Rose	Valento
Himle	Lieder	Onnen	Rukavina	Vellenga
Hugoson	Long	Orenstein	Schafer	Voss
Jacobs	Marsh	Osthoff	Scheid	Wagenius
Jaros	McDonald	Otis	Schreiber	Waltman
Jefferson	McKasy	Ozment	Seaberg	Welle
Jennings	McLaughlin	Pappas	Segal	Wenzel
Jensen	McPherson	Pauly	Shaver	Winter
Johnson, A.	Milbert	Pelowski	Simoneau	Wynia
Johnson, R.	Miller	Peterson	Skoglund	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1961, A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	O'Connor	Riveness
Anderson, R.	Forsythe	Kludt	Ogren	Rodosovich
Battaglia	Frederick	Knickerbocker	Olson, S.	Rose
Bauerly	Frerichs	Knuth	Olson, E.	Rukavina
Beard	Greenfield	Kostohryz	Olson, K.	Sarna
Begich	Gruenes	Krueger	Omman	Schafer
Bennett	Gutknecht	Lasley	Onnen	Scheid
Bertram	Hartle	Lieder	Orenstein	Schreiber
Blatz	Haukoos	Long	Osthoff	Seaberg
Boo	Heap	Marsh	Otis	Segal
Brown	Himle	McDonald	Ozment	Shaver
Burger	Hugoson	McEachern	Pappas	Simoneau
Carlson, D.	Jacobs	McKasy	Pauly	Skoglund
Carlson, L.	Jaros	McLaughlin	Pelowski	Solberg
Carruthers	Jefferson	McPherson	Peterson	Sparby
Clark	Jennings	Milbert	Poppenhagen	Stanius
Clausnitzer	Jensen	Miller	Price	Steensma
Cooper	Johnson, A.	Minne	Quinn	Sviggum
Dauner	Johnson, R.	Morrison	Quist	Swenson
Dawkins	Johnson, V.	Munger	Redalen	Thiede
DeBleeck	Kahn	Murphy	Reding	Tjornhom
Dempsey	Kalis	Nelson, C.	Rest	Tompkins
DeRaad	Kelly	Nelson, D.	Rice	Trimble
Dille	Kelso	Neuenschwander	Richter	Tunheim

Uphus
Valento
Vellenga

Voss
Wagenius
Waltman

Welle
Wenzel
Winter

Wynia
Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2246 was reported to the House.

There being no objection, H. F. No. 2246 was continued on the Consent Calendar until Wednesday, March 16, 1988.

H. F. No. 2434 was reported to the House.

Munger moved to amend H. F. No. 2434, as follows:

Page 1, line 11, after "section 12," insert "subdivision 2,"

The motion prevailed and the amendment was adopted.

H. F. No. 2434, A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kelly	Murphy	Redalen
Anderson, R.	Dille	Kelso	Nelson, C.	Reding
Battaglia	Dorn	Kinkel	Nelson, D.	Rest
Bauerly	Forsythe	Kludt	Neuenschwander	Rice
Beard	Frederick	Knickerbocker	O'Connor	Richter
Begich	Frerichs	Knuth	Ogren	Riveness
Bennett	Greenfield	Kostohryz	Olson, S.	Rodosovich
Bertram	Gruenes	Krueger	Olson, E.	Rose
Bishop	Hartle	Larsen	Olson, K.	Rukavina
Blatz	Haukoos	Lasley	Omann	Sarna
Boo	Heap	Lieder	Onnen	Schafer
Brown	Himle	Long	Orenstein	Scheid
Burger	Hugoson	Marsh	Osthoff	Schreiber
Carlson, D.	Jacobs	McDonald	Otis	Seaberg
Carlson, L.	Jaros	McEachern	Ozment	Segal
Carruthers	Jefferson	McKasy	Pappas	Simoneau
Clark	Jennings	McLaughlin	Pauly	Skoglund
Clausnitzer	Jensen	McPherson	Pelowski	Solberg
Cooper	Johnson, A.	Milbert	Peterson	Sparby
Dauner	Johnson, R.	Miller	Poppenhagen	Stanius
Dawkins	Johnson, V.	Minne	Price	Steensma
DeBleck	Kahn	Morrison	Quinn	Sviggum
Dempsey	Kalis	Munger	Quist	Swenson

Thiede	Tunheim	Voss	Wenzel
Tjornhom	Uphus	Wagenius	Winter
Tompkins	Valento	Waltman	Wynia
Trimble	Vellenga	Welle	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2508, A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Simoneau
Anderson, R.	Frerichs	Larsen	Osthoff	Skoglund
Battaglia	Greenfield	Lasley	Otis	Solberg
Bauerly	Gruenes	Lieder	Ozment	Sparby
Beard	Gutknecht	Long	Pappas	Stanius
Begich	Hartle	Marsh	Pauly	Steensma
Bennett	Haukoos	McDonald	Pelowski	Sviggum
Bertram	Heap	McEachern	Peterson	Swenson
Bishop	Himle	McKasy	Poppenhagen	Thiede
Blatz	Hugoson	McLaughlin	Price	Tjornhom
Boo	Jacobs	McPherson	Quinn	Tompkins
Brown	Jaros	Milbert	Quist	Trimble
Burger	Jefferson	Miller	Redalen	Tunheim
Carlson, D.	Jennings	Minne	Reding	Uphus
Carlson, L.	Jensen	Morrison	Rest	Vallenta
Carruthers	Johnson, A.	Munger	Rice	Vellenga
Clark	Johnson, R.	Murphy	Richter	Voss
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Wagenius
Cooper	Kahn	Nelson, D.	Rodosovich	Waltman
Dauner	Kalis	Neuenschwander	Rose	Welle
Dawkins	Kelly	O'Connor	Rukavina	Wenzel
DeBlieck	Kelso	Ogren	Sarna	Winter
Dempsey	Kinkel	Olsen, S.	Schafer	Wynia
DeRaad	Kludt	Olson, E.	Scheid	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Schreiber	
Dorn	Knuth	Omman	Seaberg	
Forsythe	Kostohryz	Onnen	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2630 was reported to the House.

Knickerbocker moved to amend H. F. No. 2630, as follows:

Page 1, delete lines 7 through 25 and insert:

“Section 1. [MINNETONKA VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [EXCLUSION FROM PERA COVERAGE.] Notwithstanding any law to the contrary, a volunteer firefighter serving with the Minnetonka fire department shall be excluded from the definition of “public employee” in Minnesota Statutes, section 353.01, subdivision 2, for activities undertaken as part of volunteer firefighter duties. Compensation paid to a Minnetonka volunteer firefighter for volunteer firefighting duties shall be excluded from the definition of “salary” in section 353.01, subdivision 10. A Minnetonka volunteer firefighter shall not be a member of the public employees police and fire fund as a result of volunteer firefighter duties.

Subd. 2. [QUALIFICATION FOR MEMBERSHIP.] A person who is a Minnetonka volunteer firefighter may qualify as a “public employee” under section 353.01, subdivision 2, and may be a member of the public employees police and fire fund for compensation received from employment and activities other than volunteer firefighter duties.”

The motion prevailed and the amendment was adopted.

H. F. No. 2630, A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Hugoson	Kostohryz	Murphy
Anderson, R.	Dauner	Jacobs	Krueger	Nelson, C.
Battaglia	Dawkins	Jaros	Larsen	Nelson, D.
Bauerly	DeBlieck	Jefferson	Lasley	Neuenschwander
Beard	Dempsey	Jennings	Lieder	O'Connor
Begich	DeRaad	Jensen	Long	Ogren
Bennett	Dille	Johnson, A.	Marsh	Olsen, S.
Bertram	Dorn	Johnson, R.	McDonald	Olsen, E.
Blatz	Forsythe	Johnson, V.	McEachern	Olsen, K.
Boo	Frederick	Kahn	McKasy	Omann
Brown	Frerichs	Kalis	McLaughlin	Onnen
Burger	Greenfield	Kelly	McPherson	Orenstein
Carlson, D.	Gruenes	Kelso	Milbert	Osthoff
Carlson, L.	Gutknecht	Kinkel	Miller	Otis
Carruthers	Hartle	Kludt	Minne	Ozment
Clark	Haukoos	Knickerbocker	Morrison	Pappas
Clausnitzer	Heap	Knuth	Munger	Pauly

Pelowski	Rice	Seaberg	Sviggum	Vellenga
Peterson	Richter	Segal	Swenson	Voss
Poppenhagen	Riveness	Shaver	Thiede	Wagenius
Price	Rodosovich	Simoneau	Tjornhom	Waltman
Quinn	Rose	Skoglund	Tompkins	Welle
Quist	Rukavina	Solberg	Trimble	Wenzel
Redalen	Sarna	Sparby	Tunheim	Winter
Reding	Schafer	Stanius	Uphus	Wynia
Rest	Scheid	Steensma	Valento	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Onnen	Seaberg
Anderson, R.	Frederick	Krueger	Orenstein	Segal
Battaglia	Frerichs	Larsen	Osthoff	Shaver
Bauerly	Greenfield	Lasley	Otis	Simoneau
Beard	Gruenes	Lieder	Ozment	Skoglund
Begich	Gutknecht	Long	Pappas	Solberg
Bennett	Hartle	Marsh	Pauly	Sparby
Bertram	Haukoos	McDonald	Pelowski	Stanius
Bishop	Heap	McEachern	Peterson	Steensma
Blatz	Hugoson	McKasy	Poppenhagen	Sviggum
Boo	Jacobs	McLaughlin	Price	Swenson
Brown	Jaros	McPherson	Quinn	Thiede
Burger	Jefferson	Milbert	Quist	Tjornhom
Carlson, D.	Jennings	Miller	Redalen	Tompkins
Carlson, L.	Jensen	Minne	Reding	Trimble
Carruthers	Johnson, A.	Morrison	Rest	Tunheim
Clark	Johnson, R.	Munger	Rice	Uphus
Clausnitzer	Johnson, V.	Murphy	Richter	Valento
Cooper	Kahn	Nelson, C.	Riveness	Vellenga
Dauner	Kalis	Neuenschwander	Rodosovich	Voss
Dawkins	Kelly	O'Connor	Rose	Wagenius
DeBlieck	Kelso	Ogren	Rukavina	Waltman
Dempsey	Kinkel	Olsen, S.	Sarna	Welle
DeRaad	Kludt	Olson, E.	Schafer	Wenzel
Dille	Knickerbocker	Olson, K.	Scheid	Winter
Dorn	Knuth	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2735 which was temporarily laid over earlier today under the order of business "Introduction and First Reading of House Bills" was again reported to the House.

Redalen; Olson, K.; Brown and Uphus moved to amend H. F. No. 2735, as follows:

Page 1, line 24, after "companies" insert "; and

Whereas, Minnesota farms consume significant amounts of diesel fuel; and

Whereas, Minnesota farmers require a high proportion of their diesel fuel during periods corresponding to periods of high cash demands; and

Whereas, a concentrated high farm cash demand tends to promote high short-term indebtedness and may cause a negative farm cash flow; and

Whereas, the security of Minnesota's farmers may be jeopardized by increased cash and record keeping demands;"

Page 2, line 5, after "*Resolved*" insert "that the Congress of the United States should immediately enact legislation prohibiting the Department of the Treasury from collecting exempt fuel taxes from farm diesel fuel consumers whether or not those taxes may later be refunded.

Be It Further Resolved"

Page 2, line 7, after "United States," insert "the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives,"

Page 2, line 12, after "Congress," insert "the Secretary of the United States Treasury,"

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2735, as amended, as follows:

Page 2, line 4, before the period, insert ", and to establish a reserve grain storage payment structure that compensates farmers and commercial warehouses equally for their services"

The motion prevailed and the amendment was adopted.

H. F. No. 2735, A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Olzment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggun
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

The bill was passed, as amended, and its title agreed to.

CALENDAR

H. F. No. 453 was reported to the House.

There being no objection, H. F. No. 453 was continued on the Calendar until Thursday, March 17, 1988.

H. F. No. 1748, A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Orenstein	Segal
Anderson, R.	Greenfield	Lasley	Osthoff	Shaver
Battaglia	Gruenes	Lieder	Otis	Simoneau
Bauerly	Gutknecht	Long	Ozment	Skoglund
Beard	Hartle	Marsh	Pappas	Solberg
Begich	Haukoos	McDonald	Pauly	Sparby
Bennett	Heap	McEachern	Pelowski	Stanius
Bertram	Himle	McKasy	Peterson	Steenma
Bishop	Hugoson	McLaughlin	Popenhagen	Sviggum
Blatz	Jacobs	McPherson	Price	Swenson
Brown	Jaros	Milbert	Quinn	Thiede
Burger	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, A.	Munger	Rest	Tunheim
Clark	Johnson, R.	Murphy	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Valento
Cooper	Kahn	Nelson, D.	Riveness	Vellenga
Dauner	Kalis	Neuenschwander	Rodosovich	Voss
Dawkins	Kelly	O'Connor	Rose	Wagenius
DeBlieck	Kelso	Ogren	Rukavina	Waltman
Dempsey	Kinkel	Olsen, S.	Sarna	Welle
DeRaad	Kludt	Olson, E.	Schafer	Wenzel
Dille	Knickerbocker	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omman	Schreiber	Wynia
Forsythe	Krueger	Omnen	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1594, A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; 245A.13, subdivision 5; 256D.01, subdivision 1d; and 256D.37, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1c; and 256D.37, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clausnitzer
Anderson, R.	Begich	Blatz	Carlson, D.	Cooper
Battaglia	Bennett	Boo	Carlson, L.	Dauner
Bauerly	Bertram	Brown	Clark	Dawkins

DeBlicek	Johnson, V.	Miller	Peterson	Skoglund
Dempsey	Kahn	Minne	Poppenhagen	Solberg
DeRaad	Kalis	Morrison	Price	Sparby
Dille	Kelly	Munger	Quinn	Stanius
Dorn	Kelso	Murphy	Quist	Steensma
Forsythe	Kinkel	Nelson, C.	Redalen	Sviggum
Frederick	Kludt	Nelson, D.	Reding	Swenson
Greenfield	Knickerbocker	Neuenschwander	Rest	Thiede
Gruenes	Knuth	O'Connor	Rice	Tjornhom
Gutknecht	Kostohryz	Ogren	Richter	Tompkins
Hartle	Krueger	Olsen, S.	Riveness	Trimble
Haukoos	Larsen	Olson, E.	Rodosovich	Tunheim
Heap	Lasley	Olson, K.	Rose	Uphus
Himle	Lieder	Omann	Rukavina	Valento
Hugoson	Long	Onnen	Sarna	Vellenga
Jacobs	Marsh	Orenstein	Schafer	Voss
Jaros	McDonald	Osthoff	Scheid	Wagenius
Jefferson	McEachern	Otis	Schreiber	Waltman
Jennings	McKasy	Ozment	Seaberg	Welle
Jensen	McLaughlin	Pappas	Segal	Wenzel
Johnson, A.	McPherson	Pauly	Shaver	Winter
Johnson, R.	Milbert	Pelowski	Simoneau	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 322, A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1987 Supplement, section 352B.08, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kelly	Murphy	Redalen
Anderson, R.	Dille	Kelso	Nelson, C.	Reding
Battaglia	Dorn	Kinkel	Nelson, D.	Rest
Bauerly	Forsythe	Kludt	Neuenschwander	Rice
Beard	Frederick	Knickerbocker	O'Connor	Richter
Begich	Greenfield	Knuth	Ogren	Riveness
Bennett	Gruenes	Kostohryz	Olsen, S.	Rodosovich
Bertram	Gutknecht	Krueger	Olson, E.	Rose
Bishop	Hartle	Larsen	Olson, K.	Rukavina
Blatz	Haukoos	Lasley	Omann	Sarna
Boo	Heap	Lieder	Onnen	Schafer
Brown	Himle	Long	Orenstein	Scheid
Burger	Hugoson	Marsh	Osthoff	Schreiber
Carlson, D.	Jacobs	McDonald	Otis	Seaberg
Carlson, L.	Jaros	McEachern	Ozment	Segal
Carruthers	Jefferson	McKasy	Pappas	Shaver
Clark	Jennings	McLaughlin	Pauly	Simoneau
Clausnitzer	Jensen	McPherson	Pelowski	Skoglund
Cooper	Johnson, A.	Milbert	Peterson	Solberg
Dauner	Johnson, R.	Miller	Poppenhagen	Sparby
Dawkins	Johnson, V.	Minne	Price	Stanius
DeBlicek	Kahn	Morrison	Quinn	Steensma
Dempsey	Kalis	Munger	Quist	Sviggum

Swenson	Trimble	Vellenga	Welle	Spk. Vanasek
Thiede	Tunheim	Voss	Wenzel	
Tjornhom	Uphus	Wagenius	Winter	
Tompkins	Valento	Waltman	Wynia	

The bill was passed and its title agreed to.

H. F. No. 1589, 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 1986, section 500.20, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Orenstein	Simoneau
Anderson, R.	Frederick	Larsen	Otis	Skoglund
Battaglia	Greenfield	Lasley	Ozment	Solberg
Bauerly	Gruenes	Lieder	Pappas	Sparby
Beard	Gutknecht	Marsh	Pauly	Stanius
Begich	Hartle	McDonald	Pelowski	Steensma
Bennett	Haukoos	McEachern	Peterson	Sviggum
Bertram	Heap	McKasy	Poppenhagen	Swenson
Bishop	Himle	McLaughlin	Price	Thiede
Blatz	Hugoson	McPherson	Quinn	Tjornhom
Boo	Jacobs	Milbert	Quist	Tompkins
Brown	Jaros	Miller	Redalen	Trimble
Burger	Jefferson	Minne	Reding	Tunheim
Carlson, D.	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Wagenius
Cooper	Kalis	Neuenschwander	Rose	Waltman
Dauner	Kelly	O'Connor	Rukavina	Welle
Dawkins	Kelso	Ogren	Sarna	Wenzel
DeBlicke	Kinkel	Olsen, S.	Schafer	Winter
Dempsey	Kludt	Olson, E.	Schreiber	Wynia
DeRaad	Knickerbocker	Olson, K.	Seaberg	Spk. Vanasek
Dille	Knuth	Omann	Segal	
Dorn	Kostohryz	Onnen	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1755, A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, 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 56 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jefferson	McEachern	Peterson	Trimble
Bauerly	Jensen	McLaughlin	Price	Vellenga
Bertram	Johnson, A.	Munger	Rest	Voss
Blatz	Kahn	Murphy	Rice	Wagenius
Burger	Kalis	Nelson, D.	Riveness	Welle
Carlson, L.	Kelly	O'Connor	Rukavina	Winter
Carruthers	Kinkel	Ogren	Sarna	Wynia
Dauner	Kludt	Onnen	Segal	Spk. Vanasek
Forsythe	Knuth	Orenstein	Simoneau	
Greenfield	Larsen	Otis	Skoglund	
Gruenes	Lasley	Pappas	Steensma	
Jaros	Long	Pelowski	Swenson	

Those who voted in the negative were:

Anderson, G.	Frerichs	Lieder	Osthoff	Shaver
Anderson, R.	Gutknecht	Marsh	Ozment	Solberg
Beard	Hartle	McDonald	Pauly	Sparby
Begich	Haukoos	McKasy	Poppenhagen	Stanius
Bishop	Heap	McPherson	Quinn	Sviggum
Boo	Himle	Milbert	Quist	Thiede
Brown	Hugoson	Miller	Redalen	Tjornhom
Clausnitzer	Jacobs	Minne	Reding	Tompkins
Cooper	Jennings	Morrison	Richter	Tunheim
Dawkins	Johnson, R.	Nelson, C.	Rodosovich	Uphus
DeBlieck	Johnson, V.	Neuenschwander	Rose	Valento
Dempsey	Kelso	Olsen, S.	Schafer	Waltman
DeRaad	Knickerbocker	Olson, E.	Scheid	Wenzel
Dorn	Kostohryz	Olson, K.	Schreiber	
Frederick	Krueger	Omann	Seaberg	

The bill was not passed.

H. F. No. 1804, A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

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 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner
Beard	Bishop	Burger	Clark	Dawkins

DeBlicek	Johnson, R.	Miller	Poppenhagen	Solberg
Dempsey	Johnson, V.	Minne	Price	Sparby
DeRaad	Kahn	Morrison	Quinn	Stanius
Dille	Kalis	Munger	Quist	Steensma
Dorn	Kelly	Murphy	Redalen	Swiggum
Forsythe	Kelso	Nelson, C.	Reding	Swenson
Frederick	Kinkel	Nelson, D.	Rest	Thiede
Frerichs	Kludt	O'Connor	Rice	Tjornhom
Greenfield	Knickerbocker	Ogren	Richter	Tompkins
Gruenes	Knuth	Olsen, S.	Riveness	Trimble
Gutknecht	Kostohryz	Olson, E.	Rodosovich	Tunheim
Hartle	Krueger	Olson, K.	Rose	Uphus
Haukoos	Larsen	Omann	Rukavina	Valento
Heap	Lasley	Onnen	Sarna	Vellenga
Himle	Lieder	Orenstein	Schafer	Voss
Hugoson	Long	Osthoff	Scheid	Wagenius
Jacobs	Marsh	Otis	Schreiber	Waltman
Jaros	McDonald	Ozment	Seaberg	Welle
Jefferson	McEachern	Pappas	Segal	Wenzel
Jennings	McKasy	Pauly	Shaver	Winter
Jensen	McPherson	Pelowski	Simoneau	Wynia
Johnson, A.	Milbert	Peterson	Skoglund	Spk. Vanasek

Those who voted in the negative were:

Anderson, G. Neuenschwander

The bill was passed and its title agreed to.

H. F. No. 1838, A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Himle	Knuth	Munger
Anderson, R.	Cooper	Hugoson	Kostohryz	Murphy
Battaglia	Dauner	Jacobs	Krueger	Nelson, C.
Bauerly	Dawkins	Jaros	Larsen	Nelson, D.
Beard	DeBlicek	Jefferson	Lasley	Neuenschwander
Begich	Dempsey	Jennings	Lieder	O'Connor
Bennett	DeRaad	Jensen	Long	Olsen, S.
Bertram	Dorn	Johnson, A.	Marsh	Olson, E.
Bishop	Forsythe	Johnson, R.	McDonald	Olson, K.
Blatz	Frederick	Johnson, V.	McEachern	Omann
Boo	Frerichs	Kahn	McKasy	Onnen
Brown	Greenfield	Kalis	McLaughlin	Orenstein
Burger	Gruenes	Kelly	McPherson	Osthoff
Carlson, D.	Gutknecht	Kelso	Milbert	Otis
Carlson, L.	Hartle	Kinkel	Miller	Ozment
Carruthers	Haukoos	Kludt	Minne	Pappas
Clark	Heap	Knickerbocker	Morrison	Pauly

Pelowski	Richter	Segal	Thiede	Waltman
Peterson	Riveness	Shaver	Tjornhom	Welle
Poppenhagen	Rodosovich	Simoneau	Tompkins	Wenzel
Price	Rose	Skoglund	Trimble	Winter
Quinn	Rukavina	Solberg	Tunheim	Wynia
Quist	Sarna	Sparby	Uphus	Spk. Vanasek
Redalen	Schafer	Stanius	Valento	
Reding	Scheid	Steensma	Vellenga	
Rest	Schreiber	Sviggum	Voss	
Rice	Seaberg	Swenson	Wagenius	

The bill was passed and its title agreed to.

H. F. No. 1844, A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Orenstein	Segal
Anderson, R.	Frederick	Larsen	Osthoff	Shaver
Battaglia	Frerichs	Lasley	Otis	Simoneau
Bauerly	Greenfield	Lieder	Ozment	Skoglund
Beard	Gruenes	Marsh	Pappas	Solberg
Begich	Gutknecht	McDonald	Pauly	Stanius
Bennett	Hartle	McEachern	Pelowski	Steensma
Bertram	Haukoos	McKasy	Peterson	Sviggum
Bishop	Heap	McLaughlin	Poppenhagen	Swenson
Blatz	Hugoson	McPherson	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jennings	Morrison	Reding	Tunheim
Carlson, L.	Jensen	Munger	Rest	Uphus
Carruthers	Johnson, A.	Murphy	Rice	Valento
Clark	Johnson, R.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kalis	Neuenschwander	Rodosovich	Wagenius
Dauner	Kelly	O'Connor	Rose	Waltman
Dawkins	Kelso	Ogren	Rukavina	Welle
DeBleck	Kinkef	Olsen, S.	Sarna	Wenzel
Dempsey	Kludt	Olson, E.	Schafer	Winter
DeRaad	Knickerbocker	Olson, K.	Scheid	Wynia
Dille	Knuth	Omann	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1855, A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gutknecht	Lasley	Osthoff	Seegal
Battaglia	Hartle	Lieder	Otis	Shaver
Bauerly	Haukoos	Long	Ozment	Simoneau
Beard	Heap	Marsh	Pappas	Skoglund
Begich	Himle	McDonald	Pauly	Solberg
Bennett	Hugoson	McEachern	Pelowski	Sparby
Bertram	Jacobs	McKasy	Peterson	Stanius
Blatz	Jaros	McLaughlin	Poppenhagen	Steensma
Boo	Jefferson	McPherson	Price	Sviggum
Brown	Jennings	Milbert	Quinn	Swenson
Burger	Jensen	Minne	Quist	Thiede
Carlson, D.	Johnson, A.	Morrison	Redalen	Tjornhom
Carlson, L.	Johnson, R.	Munger	Reding	Tompkins
Carruthers	Johnson, V.	Murphy	Rest	Trimble
Clausnitzer	Kahn	Nelson, C.	Rice	Tunheim
Cooper	Kalis	Nelson, D.	Richter	Uphus
Dawkins	Kelly	Neuenschwander	Riveness	Valento
DeBlick	Kelso	O'Connor	Rodosovich	Vellenga
DeRaad	Kinkel	Ogren	Rose	Voss
Dorn	Kludd	Olsen, S.	Rukavina	Wagenius
Forsythe	Knickerbocker	Olson, E.	Sarna	Waltman
Frederick	Knuth	Olson, K.	Schafer	Welle
Frerichs	Kostohryz	Omann	Scheid	Wenzel
Greenfield	Krueger	Onnen	Schreiber	Winter
Gruenes	Larsen	Orenstein	Seaberg	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1913 was reported to the House and given its third reading.

Schreiber requested unanimous consent to offer an amendment to H. F. No. 1913. The request was not granted.

Schreiber moved that H. F. No. 1913 be returned to the top of General Orders.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 53 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Knickerbocker	Ozment	Stanius
Bennett	Frederick	Knuth	Pauly	Sviggum
Bishop	Frerichs	Marsh	Poppenhagen	Swenson
Blatz	Gruenes	McDonald	Quist	Thiede
Boo	Gutknecht	McKasy	Redalen	Tjornhom
Burger	Hartle	McPherson	Richter	Tompkins
Carlson, D.	Haukoos	Miller	Rose	Uphus
Clausnitzer	Heap	Morrison	Schafer	Valento
Dempsey	Himle	Olsen, S.	Schreiber	Waltman
DeRaad	Hugoson	Omann	Seaberg	
Dille	Johnson, V.	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lasley	Orenstein	Segal
Battaglia	Jaros	Lieder	Osthoff	Simoneau
Bauerly	Jefferson	Long	Otis	Skoglund
Beard	Jennings	McEachern	Pappas	Solberg
Begich	Jensen	McLaughlin	Pelowski	Sparby
Bertram	Johnson, A.	Milbert	Peterson	Steensma
Brown	Johnson, R.	Minne	Price	Trimble
Carlson, L.	Kahn	Munger	Quinn	Tunheim
Carruthers	Kalis	Murphy	Reding	Vellenga
Clark	Kelly	Nelson, C.	Rest	Voss
Cooper	Kelso	Nelson, D.	Rice	Wagenius
Dauner	Kinkel	Neuenschwander	Riveness	Welle
Dawkins	Kludt	O'Connor	Rodosovich	Wenzel
DeBlicke	Kostohryz	Ogren	Rukavina	Winter
Dorn	Krueger	Olson, E.	Sarna	Wynia
Greenfield	Larsen	Olson, K.	Scheid	Spk. Vanasek

The motion did not prevail.

H. F. No. 1913, A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gutknecht	Kalis	McEachern
Anderson, R.	Clark	Hartle	Kelly	McKasy
Battaglia	Clausnitzer	Haukoos	Kelso	McLaughlin
Bauerly	Cooper	Heap	Kinkel	McPherson
Beard	Dauner	Himle	Kludt	Milbert
Begich	Dawkins	Hugoson	Knickerbocker	Miller
Bennett	DeBlicke	Jacobs	Knuth	Minne
Bertram	Dempsey	Jaros	Kostohryz	Morrison
Bishop	DeRaad	Jefferson	Krueger	Munger
Blatz	Dille	Jennings	Larsen	Murphy
Boo	Dorn	Jensen	Lasley	Nelson, C.
Brown	Forsythe	Johnson, A.	Lieder	Nelson, D.
Burger	Frederick	Johnson, R.	Long	Neuenschwander
Carlson, D.	Greenfield	Johnson, V.	Marsh	O'Connor
Carlson, L.	Gruenes	Kahn	McDonald	Ogren

Olsen, S.	Peterson	Rose	Stanius	Voss
Olson, E.	Poppenhagen	Rukavina	Steensma	Wagenius
Olson, K.	Price	Sarna	Sviggum	Waltman
Omann	Quinn	Schafer	Swenson	Welle
Onnen	Quist	Scheid	Thiede	Wenzel
Orenstein	Redalen	Schreiber	Tjornhom	Winter
Osthoff	Reding	Seaberg	Tompkins	Wynia
Otis	Rest	Shaver	Trimble	Spk. Vanasek
Ozment	Rice	Simoneau	Tunheim	
Pappas	Richter	Skoglund	Uphus	
Pauly	Riveness	Solberg	Valento	
Pelowski	Rodosovich	Sparby	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1922 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Jacobs requested unanimous consent to offer an amendment to H. F. No. 1922. The request was granted.

Jacobs, Vanasek, Quist and Pappas moved to amend H. F. No. 1922, the first engrossment, as follows:

Page 1, line 17, before the period insert "unless the instrument, article, drug, or medicine is sold or distributed by a student who is enrolled at the school to another student who is enrolled at the school"

The motion prevailed and the amendment was adopted.

Dawkins moved that his name be stricken as an author on H. F. No. 1922. The motion prevailed.

H. F. No. 1922, A bill for an act relating to crimes; prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds; repealing the prohibition against the sale of articles relating to prevention of conception or disease; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, section 617.251.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Kostohryz	Omann	Seaberg
Battaglia	Frerichs	Krueger	Onnen	Shaver
Bauerly	Greenfield	Larsen	Osthoff	Skoglund
Beard	Gruenes	Lasley	Otis	Solberg
Begich	Gutknecht	Lieder	Ozment	Sparby
Bennett	Hartle	Marsh	Pappas	Stanius
Bertram	Haukoos	McDonald	Pauly	Steensma
Blatz	Heap	McEachern	Pelowski	Swiggum
Boo	Himle	McKasy	Peterson	Swenson
Brown	Hugoson	McPherson	Poppenhagen	Thiede
Burger	Jacobs	Milbert	Price	Tjornhom
Carlson, D.	Jefferson	Miller	Quinn	Tompkins
Carlson, L.	Jennings	Minne	Quist	Tunheim
Carruthers	Jensen	Morrison	Redalen	Uphus
Clark	Johnson, A.	Munger	Reding	Valento
Clausnitzer	Johnson, R.	Murphy	Rice	Voss
Cooper	Johnson, V.	Nelson, C.	Richter	Wagenius
Dauner	Kalis	Nelson, D.	Rodosovich	Waltman
DeBlieck	Kelly	Neuenschwander	Rose	Welle
Dempsey	Kelso	O'Connor	Rukavina	Wenzel
DeRaad	Kinkel	Ogren	Sarna	Winter
Dille	Kludt	Olsen, S.	Schafer	Wynia
Dorn	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Forsythe	Knuth	Olson, K.	Schreiber	

Those who voted in the negative were:

Dawkins Kahn Long Orenstein

The bill was passed, as amended, and its title agreed to.

H. F. No. 1923, A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Himle	Knuth	Munger
Anderson, R.	Cooper	Hugoson	Kostohryz	Murphy
Battaglia	Dauner	Jacobs	Krueger	Nelson, C.
Bauerly	Dawkins	Jaros	Larsen	Nelson, D.
Beard	DeBlieck	Jefferson	Lasley	Neuenschwander
Begich	Dempsey	Jennings	Lieder	O'Connor
Bennett	DeRaad	Jensen	Long	Ogren
Bertram	Dille	Johnson, A.	Marsh	Olsen, S.
Bishop	Dorn	Johnson, R.	McDonald	Olson, E.
Blatz	Forsythe	Johnson, V.	McEachern	Olson, K.
Boo	Frederick	Kahn	McKasy	Omann
Brown	Frerichs	Kalis	McLaughlin	Onnen
Burger	Greenfield	Kelly	McPherson	Orenstein
Carlson, D.	Gutknecht	Kelso	Milbert	Osthoff
Carlson, L.	Hartle	Kinkel	Miller	Otis
Carruthers	Haukoos	Kludt	Minne	Ozment
Clark	Heap	Knickerbocker	Morrison	Pappas

Pauly	Richter	Seaberg	Sviggum	Vellenga
Pelowski	Riveness	Segal	Swenson	Voss
Popenhagen	Rodosovich	Shaver	Thiede	Wagenius
Price	Rose	Simoneau	Tjornhom	Waltman
Quinn	Rukavina	Skoglund	Tompkins	Welle
Quist	Sarna	Solberg	Trimble	Wenzel
Redalen	Schafer	Sparby	Tunheim	Winter
Reding	Scheid	Stanius	Uphus	Wynia
Rice	Schreiber	Steenasma	Valento	Spk. Vanasek

The bill was passed and its title agreed to.

Carlson, D., was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. Nos. 2117 and 1864.

H. F. No. 2117, A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Johnson, A.	McKasy	Osthoff
Anderson, R.	DeRaad	Johnson, R.	McLaughlin	Otis
Battaglia	Dille	Johnson, V.	McPherson	Ozment
Bauerly	Dorn	Kahn	Milbert	Pappas
Beard	Forsythe	Kalis	Miller	Pauly
Begich	Frederick	Kelly	Minne	Pelowski
Bennett	Frerichs	Kelso	Morrison	Peterson
Bertram	Greenfield	Kinkel	Munger	Popenhagen
Blatz	Gruenes	Kludt	Murphy	Price
Boo	Gutknecht	Knickerbocker	Nelson, C.	Quinn
Brown	Hartle	Knuth	Nelson, D.	Quist
Burger	Haukoos	Kostohryz	Neuenschwander	Redalen
Carlson, L.	Heap	Krueger	O'Connor	Reding
Carruthers	Himle	Larsen	Ogren	Rest
Clark	Hugoson	Lasley	Olsen, S.	Rice
Clausnitzer	Jacobs	Lieder	Olsen, E.	Richter
Cooper	Jaros	Long	Olson, K.	Riveness
Dauner	Jefferson	Marsh	Omamm	Rodosovich
Dawkins	Jennings	McDonald	Onnen	Rose
DeBlicck	Jensen	McEachern	Orenstein	Rukavina

Sarna	Simoneau	Swenson	Valento	Winter
Schafer	Skoglund	Thiede	Vellenga	Wynia
Scheid	Solberg	Tjornhom	Voss	Spk. Vanasek
Schreiber	Sparby	Tompkins	Wagenius	
Seaberg	Stanius	Trimble	Waltman	
Segal	Steenma	Tunheim	Welle	
Shaver	Sviggum	Uphus	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 1864 was reported to the House.

Jensen moved to amend H. F. No. 1864, the first engrossment, as follows:

Page 1, line 20, after the period insert "Certificates issued under this section in anticipation of taxes levied in 1987 shall not exceed \$375,000. Certificates issued under this section in anticipation of taxes levied in 1988 shall not exceed \$300,000."

Page 2, line 11, after "enactment" insert "and applies to certificates issued in anticipation of taxes levied in 1987 and 1988."

Page 2, delete lines 12 to 14

The motion prevailed and the amendment was adopted.

H. F. No. 1864, A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clausnitzer	Hartle	Kelly	McKasy
Battaglia	Cooper	Haukoos	Kelso	McLaughlin
Bauerly	Dauncer	Heap	Kinkel	McPherson
Beard	Dawkins	Himle	Kludt	Milbert
Begich	DeBlieck	Hugoson	Knickerbocker	Miller
Bennett	Dempsey	Jacobs	Knuth	Minne
Bertram	DeRaad	Jaros	Kostohryz	Morrison
Bishop	Dille	Jefferson	Krueger	Munger
Blatz	Dorn	Jennings	Larsen	Murphy
Boo	Forsythe	Jensen	Lasley	Nelson, C.
Brown	Frederick	Johnson, A.	Lieder	Nelson, D.
Burger	Frerichs	Johnson, R.	Long	O'Connor
Carlson, L.	Greenfield	Johnson, V.	Marsh	Ogren
Carruthers	Gruenes	Kahn	McDonald	Olsen, S.
Clark	Gutknecht	Kalis	McEachern	Olson, E.

Olson, K.	Poppenhagen	Rukavina	Sparby	Valento
Omman	Price	Sarna	Stanius	Vellenga
Onnen	Quinn	Schafer	Steensma	Voss
Orenstein	Quist	Scheid	Svigum	Wagenius
Osthoff	Redalen	Schreiber	Swenson	Waltman
Otis	Reding	Seaberg	Thiede	Welle
Ozment	Rest	Segal	Tjornhom	Wenzel
Pappas	Richter	Shaver	Tompkins	Winter
Pauly	Riveness	Simoneau	Trimble	Wynia
Pelowski	Rodosovich	Skoglund	Tunheim	Spk. Vanasek
Peterson	Rose	Solberg	Uphus	

The bill was passed, as amended, and its title agreed to.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Osthoff moved that the name of Larsen be stricken and the name of Bennett be added as an author on H. F. No. 4. The motion prevailed.

Neuenschwander moved that the name of Scheid be shown as chief author on H. F. No. 1063. The motion prevailed.

Nelson, D., moved that the name of Tunheim be added as an author on H. F. No. 2307. The motion prevailed.

Quinn moved that the names of Wagenius and Ogren be added as authors on H. F. No. 2373. The motion prevailed.

Anderson, G., moved that the names of Sparby; Lasley; Nelson, C., and Frerichs be added as authors on H. F. No. 2468. The motion prevailed.

Nelson, K., moved that the name of Segal be stricken and the name of Pappas be added as an author on H. F. No. 2670. The motion prevailed.

Begich moved that the names of Sarna, Rice and Beard be added as authors on H. F. No. 2700. The motion prevailed.

Sarna moved that the name of Wenzel be added as an author on H. F. No. 2715. The motion prevailed.

Bertram moved that H. F. No. 2621 be recalled from the Commit-

tee on Taxes and be re-referred to the Committee on Agriculture. The motion prevailed.

Kelso moved that H. F. No. 987, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Dawkins moved that H. F. No. 2178, now on Technical General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

Johnson, A., moved that H. F. No. 2221, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

McPherson moved that H. F. No. 1485 be returned to its author. The motion prevailed.

Nelson, C., moved that H. F. No. 2177 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 2267 be returned to its author. The motion prevailed.

Tompkins moved that H. F. No. 2324 be returned to its author. The motion prevailed.

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kelly, Wynia, Krueger, Blatz and Bishop introduced:

H. F. No. 2745, A bill for an act proposing an amendment to the Minnesota Constitution, article V, section 3; removing the requirement that notaries public be approved by the senate; amending Minnesota Statutes 1986, section 359.01.

The bill was read for the first time and referred to the Committee on Judiciary.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 16, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 16, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SIXTY-NINTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 15, 1988

The Senate met on Tuesday, March 15, 1988, which was the Sixty-ninth Legislative Day of the Seventy-fifth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 16, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Tania Haber, Bethlehem Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Greenfield	Lasley	Osthoff	Simoneau
Battaglia	Gruenes	Lieder	Otis	Skoglund
Bauerly	Gutknecht	Long	Ozment	Solberg
Beard	Hartle	Marsh	Pappas	Sparby
Begich	Haukoos	McDonald	Pauly	Stanius
Bennett	Heap	McEachern	Pelowski	Steensma
Bertram	Himle	McKasy	Peterson	Sviggum
Bishop	Hugoson	McLaughlin	Poppenhagen	Swenson
Blatz	Jacobs	McPherson	Price	Thiede
Boo	Jaros	Milbert	Quinn	Tjornhom
Brown	Jefferson	Miller	Quist	Tompkins
Burger	Jennings	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausmitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlieck	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dille	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Omam	Seaberg	
Forsythe	Krueger	Onnen	Segal	
Frerichs	Larsen	Orenstein	Shaver	

A quorum was present.

Anderson, R., was excused.

Frederick was excused until 2:45 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Stanius moved that further reading of the Journals be dis-

pensed 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. 1534, 1812, 1925, 1996, 2120, 2176, 2298, 2331, 2359, 2391, 2414, 2423, 2537, 2539, 2540, 2542, 2558, 2579, 2615, 2629, 2643, 2700, 1346, 1469, 1526, 1674, 1701, 1745, 1780, 1848, 2006, 2024, 2101, 2104, 2134, 2204, 2210, 2341, 2368, 2394, 2446, 2475, 2514, 2526, 2559, 2567, 2688, 2596, 2642, 2696, 1630, 1658, 1702, 1736, 1864, 1873, 1880, 1897, 1935, 1957, 2021, 2054, 1922, 2086, 2108, 2118, 2181, 2192, 2193, 2235, 2228, 2269, 2309, 2349, 2434, 2450, 2478, 2481, 2485, 2491, 2546, 2630, 2364, 2735 and 1860 and S. F. Nos. 1958 and 604 have been placed in the members' files.

S. F. No. 1958 and H. F. No. 2251, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 1958 be substituted for H. F. No. 2251 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1778, A bill for an act relating to corrections; establishing a shelter for battered American Indian women; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 611A.32, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM FOR AMERICAN INDIAN WOMEN.] The commissioner shall designate at least one program under this section to provide emergency shelter services and support services to battered American Indian women. The commissioner shall grant continuing operating expenses to the program established under

this subdivision in the same manner as operating expenses are granted to programs established under subdivision 1.

Sec. 2. [APPROPRIATION.]

\$. . . . is appropriated from the general fund to the commissioner of corrections for the purpose of section 1."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1849, A bill for an act relating to education; requiring milk substitutes or alternative food items for lactose intolerant children in school milk distribution programs; proposing coding for new law in Minnesota Statutes, chapter 124.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [124.6462] [LACTOSE REDUCED MILK.]

If a district receives school lunch aid under section 124.646 and if it receives a written request from the parent of a pupil who is lactose intolerant, the district shall make available lactose reduced milk or a lactose enzyme in liquid or tablet form with milk for the pupil. Notwithstanding any law, local ordinance, or local regulation to the contrary, a school district may pour or serve portions of any product required by this section from a large container of the product at the time and place the pupil is being served."

Delete the title and insert:

"A bill for an act relating to education; requiring school districts to make certain accommodations for lactose intolerant children, if requested; proposing coding for new law in Minnesota Statutes, chapter 124."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1857, A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 1862, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 1872, A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [504.185] [EMERGENCY CONDITIONS; LOSS OF ESSENTIAL SERVICES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Owner" has the meaning given it in section 566.18, subdivision 3.

(b) "Tenant" has the meaning given it in section 566.18, subdivision 2.

Subd. 2. [PROCEDURE.] If the owner is required to supply heat, running water, hot water, electricity, or gas, and if the owner fails to supply the essential service by nonpayment of the amount billed for the essential service, and the loss of the essential service is not caused by conditions beyond the owner's control, a tenant or group of tenants of the building may pay the total outstanding bill or portion of the bill under this subdivision. Before paying the bill, the tenant or tenants shall make a reasonable attempt to give oral or written notice to the owner of the tenant's intention to pay the bill after 48 hours, or some shorter period that is reasonable under the circumstances, if the owner has not already by then paid the bill. If oral notice is given, written notice must be mailed or delivered to the owner within 24 hours after oral notice is given. If the owner has not yet paid the bill by the time of the tenant's intended payment, or if the utility service remains discontinued, the tenant or tenants may pay the outstanding bill and after submitting receipts for that payment to the owner a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the utility company or municipality by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Subd. 3. [LIMITATIONS; WAIVER PROHIBITED; RIGHTS AS ADDITIONAL.] The rights afforded to the tenant under this section:

(1) do not extend to conditions caused by the willful, malicious, or negligent conduct of the tenant or of a person under the tenant's direction or control;

(2) may not be waived or modified; and

(3) are in addition to and do not limit other rights available to the tenant, including the right to damages or to abatement of the rental obligation based upon the owner's failure to supply essential services under subdivision 2 and the right to restoration of possession of the premises under section 504.02."

Amend the title as follows:

Page 1, line 2, delete "providing" and insert "authorizing"

Page 1, line 3, delete "for" and delete "repair"

Page 1, delete lines 4 and 5

Page 1, line 6, before "utilities" insert "provide"

Page 1, delete lines 7 and 8

Page 1, line 9, delete everything before "proposing"

Page 1, line 10, delete "chapters 504 and 506" and insert "chapter 504"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1921, A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; amending Minnesota Statutes 1987 Supplement, section 349.12, subdivision 11.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

(a) Profits from lawful gambling may be expended only for lawful purposes or expenses as authorized at a regular meeting of the conducting organization.

(b) Provided that No more than 55 percent of profits from bingo, and no more than 45 percent for other forms of lawful gambling, may be expended for necessary expenses related to lawful gambling. In determining compliance with this requirement an organization may exclude gross receipts, expenses, and net profit from any licensed premises at which profits from all lawful gambling conducted by the organization do not exceed \$50,000 in any 12-month period. This exclusion does not relieve an organization of any requirement the board imposes for reporting gambling activity and expense computation at any licensed premises.

(c) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 3. [349.164] [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one licensed organization to conduct bingo without having obtained a bingo hall license under this section, unless the person is a licensed organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a bingo hall license to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, who:

(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending; or

(2) has been convicted in a state or federal court of a gambling-related offense within ten years of the date of license application.

Subd. 4. [FEES.] The annual fee for a bingo hall license is \$250.

Subd. 5. [CRIMINAL HISTORY.] The board may request the assistance of the bureau of criminal apprehension in investigating the background of an applicant for a bingo hall license and may reimburse the bureau for the costs. The board has access to all criminal history data compiled by the bureau on licensees and applicants.

Subd. 6. [PROHIBITION.] No bingo hall licensee may also be a licensed distributor or registered manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163.

Subd. 7. [RESTRICTIONS.] A bingo hall licensee or affiliate of the licensee may not:

(1) provide any staff to conduct bingo or any other form of lawful gambling during the bingo occasion;

(2) acquire, provide storage or inventory control, or report the use of any gambling equipment used by an organization that conducts bingo on the premises;

(3) provide accounting services to an organization conducting bingo on the premises;

(4) make any expenditures of gross receipts of an organization from lawful gambling; or

(5) charge any admission fee for entering the premises where the bingo occasion will be held.

Subd. 8. [LEASES.] All of the remuneration to be received from the organization for the conduct of lawful gambling must be stated in the lease. No amount may be paid by the organization or received by the operator of the bingo hall based on the number of participants attending the bingo occasion or on the gross receipts or profit received by the organization.

Subd. 9. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 4. Minnesota Statutes 1987 Supplement, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ON LEASED PREMISES.] (a) A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, may not allow more than 18 bingo occasions to be conducted on the premises in any week.

(b) If an organization conducts bingo on premises it does not own, the organization must provide the board with the name of the owner and lessor of the premises, copies of all agreements between the organization and the owner or lessor, and the name of employees of the owner or lessor who will be responsible for the premises during the bingo occasion held by the organization.

(c) During any bingo occasion held by an organization on premises it does not own, the organization shall be directly responsible for the:

- (1) staffing of the bingo occasion;
- (2) conducting of lawful gambling during the bingo occasion;
- (3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization; and
- (4) receipt, accounting, and all expenditures of gross receipts from lawful gambling.

Sec. 5. Minnesota Statutes 1986, section 349.19, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED RECORD OF RECEIPTS.] A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, and profits. The board may by rule provide for the methods by which expenses are documented. Gross receipts for bingo include any amount received by the organization which has been paid by a person at the bingo occasion to play the game, without which the player could not play the game. In the case of bingo, gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion. Separate records must be kept for bingo and all other forms of lawful gambling."

Delete the title and insert:

"A bill for an act relating to charitable gambling; allowing organizations to disregard certain locations in calculating expense ratios; changing the definition of lawful purpose expenditures; providing for the licensing and regulation of bingo halls; amending Minnesota Statutes 1986, section 349.19, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 11; 349.15; and 349.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1938, A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

Reported the same back with the following amendments:

Page 1, line 21, delete "chapter 456 for a city of the first class,"

Page 1, line 23, after "waterworks" insert ", except cities of the first class"

Page 1, line 26, after the period insert "Nothing in this section prohibits a water utility from recovering the cost of supplying water to an area when the cost is spread proportionately among all the structures in the benefited area."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1939, A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1991, A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, may not lease or sell agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under subdivision 7. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor.

(b) An immediately preceding former owner may elect to purchase or lease the entire property or a portion of the property. An election to purchase or lease a portion of the property must be reported in writing to the seller or lessor prior to the time the property is offered for sale or lease. If election is made to purchase or lease a portion of the property, that portion must be contiguous and compact so that it does not unreasonably reduce access to or the value of the remaining property.

(b) (c) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that defers payment of a portion of the price and does not involve a transfer of fee title until payment of the entire amount of the offer is made is financed entirely or partially by the seller and includes an offer to purchase under a contract for deed or mortgage.

(e) (d) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold; and

(2) an offer to sell to the immediately preceding former owner is required until the property is sold; and

(3) if the immediately preceding former owner elects to lease or purchase a portion of the property, the balance of the property may be sold or leased without further regard to this subdivision.

(d) (e) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(e) (f) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(f) (g) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(g) (h) The immediately preceding former owner must exercise the right to lease all or a portion of the agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. If election is made to lease only the homestead or a portion of the agricultural land, the portion to be leased must be clearly identified in writing by the immediately preceding former owner. The immediately preceding former owner must exercise the right to buy the agricultural land, a portion of the agricultural land, or a farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(h) (i) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the

property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(+) (j) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(+) (k) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the:

(1) an express statement in a deed in lieu of foreclosure of the agricultural land;

(2) an express statement in a deed in lieu of a termination of a contract for deed for the agricultural land; or

(3) an express statement conveying the right to the state or federal agency or corporation owning the agricultural land that is required to make an offer under this subdivision.

(+) (l) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this

subdivision may not be assigned or transferred except as provided in paragraph (j), but may be inherited.

(m) An immediately preceding former owner, except a former owner who remains actively engaged in farming the land acquired by accepting an offer under this subdivision may not sell agricultural land acquired by accepting an offer under this subdivision if the arrangement of such sale was negotiated or agreed to prior to the former owner accepting the offer under this subdivision. A person who sells property in violation of this paragraph is liable for up to treble damages and court costs and reasonable attorney fees to a person who is damaged by a sale in violation of this paragraph. There shall be a rebuttable presumption that a sale by an immediately preceding former owner is in violation of this paragraph if the sale takes place within 180 days of the former owner accepting the offer under this subdivision. The prohibition in this paragraph does not apply to a sale by an immediately preceding former owner to his or her spouse or to a person related to the former owner in the first degree of kindred according to the rules of the civil law.

Sec. 2. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

“NOTICE OF OFFER TO
(LEASE, BUY) AGRICULTURAL LAND

TO: (. . . Immediately preceding former owner . . .)
FROM: (. . . The state, federal agency, or corporation subject to subdivision 6 . . .)
DATE: (. . . date notice is mailed or personally delivered . . .)

(. . . The state, federal agency, or corporation . . .) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (. . . the state, federal agency, or corporation . . .) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (. . . approximate number of acres . . .) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that

reasonably describes the land. This description does not need to be a legal description.)

(... The state, federal agency, or corporation ...) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(... cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land ...), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (... the state, federal agency, or corporation ...) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (... date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery ...).

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER. I UNDERSTAND THAT NEGOTIATING OR AGREEING TO AN ARRANGEMENT TO SELL THE AGRICULTURAL LAND TO ANOTHER PERSON PRIOR TO ACCEPTING THIS OFFER MAY BE A VIOLATION OF LAW AND I MAY BE LIABLE TO A PERSON DAMAGED BY THE SALE.

.....
Signature of Former Owner Accepting Offer

.....
Date"

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller and a signed affidavit by the seller affirming that the purchase agreement is true, accurate, and made in good faith must be included with the notice under this subdivi-

sion. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

(c) For an offer to lease, a copy of the lease containing the price and terms of the highest offer made by a third party that is acceptable to the lessor and a signed affidavit by the lessor affirming that the lease is true, accurate, and made in good faith must be included with the notice under this subdivision. At the lessor's discretion, reference to the third party's identity may be deleted from the copy of the lease agreement.

(d) The affidavit under paragraphs (b) and (c) is subject to section 609.48.

Sec. 3. Minnesota Statutes 1987 Supplement, section 583.24, subdivision 4, is amended to read:

Subd. 4. [DEBTS.] (a) The farmer-lender mediation act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after the effective date of Laws 1987, chapter 292 July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

(b) For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a

debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.

Sec. 4. [EFFECTIVE DATE.]

This act is effective May 1, 1988.

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2019, A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, section 82.24, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Page 2, line 3, delete "3" and insert "5"

Page 2, delete line 11

Page 2, line 12, delete everything before the semicolon

Page 2, after line 16 insert:

"The state treasurer shall deposit five percent of the amount collected under this subdivision in the real estate education, research, and recovery fund established in section 88.34, subdivision 1. The state treasurer may use up to five percent of the amount collected under this subdivision, but not more than \$12,000 annually, to administer and allocate the money collected under this subdivision. The remaining amount collected under this subdivision must be deposited in the housing trust fund account established in section 5.

Sec. 3. Minnesota Statutes 1986, section 82.34, subdivision 6, is amended to read:

Subd. 6. The commissioner may expend money as appropriated for the following purposes:

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter;

(e) To pay the costs of the real estate advisory council established under section 82.30; and

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivisions 12 and 14; and

(g) For projects to provide information to the public on housing issues, including but not limited to, environmental safety and housing affordability.

Sec. 4. Minnesota Statutes 1986, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 2 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount deposited in the fund under section 2 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 5."

Page 3, line 26, after the period insert "Members of the committee

shall be reimbursed for expenses but shall not receive any other compensation for services on the committee."

Renumber the remaining section in sequence

Correct all internal references

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections"

Page 1, line 6, after the semicolon insert "and 82.34, subdivisions 6 and 15,"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2078, A bill for an act relating to education; providing for aversive and deprivation procedures; requiring rules; amending Minnesota Statutes 1987 Supplement, section 626.556, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 127.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [127.43] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 and 2, the following terms have the meanings given them.

Subd. 2. [AVERSIVE PROCEDURE.] "Aversive procedure" means the planned application of an aversive stimulus.

Subd. 3. [AVERSIVE STIMULUS.] "Aversive stimulus" means an object that is used, or an event or situation that occurs immediately after a specified behavior in order to suppress that behavior.

Subd. 4. [DEPRIVATION PROCEDURE.] "Deprivation procedure" means the planned delay or withdrawal of goods, services, or activities that the person would otherwise receive.

Subd. 5. [EMERGENCY.] "Emergency" means a situation in which immediate intervention is necessary to protect a pupil or

other individual from physical injury or to prevent property damage.

Sec. 2. [127.44] [AVERSIVE AND DEPRIVATION PROCEDURES.]

Subdivision 1. [PROHIBITION AND EXCEPTIONS.] A school district may not allow the use of an aversive or deprivation procedure for a handicapped child, as defined in section 120.03, unless:

(1) the procedure is part of the child's individual education plan; or

(2) in an emergency.

Subd. 2. [ADOPTION OF RULES.] The state board of education shall adopt rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district. The rules must:

(1) promote the use of positive approaches and must not encourage or require the use of aversive or deprivation procedures;

(2) require that planned application of aversive and deprivation procedures be a part of an individual education plan;

(3) require parents or guardians to be notified after the use of aversive or deprivation procedures in an emergency; and

(4) establish health and safety standards for the use of time-out procedures that require a safe environment, continuous monitoring of the child, ventilation, and adequate space."

Delete the title and insert:

"A bill for an act relating to education; prohibiting aversive and deprivation procedures for handicapped children with certain exceptions; requiring the state board of education to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 127."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2088, A bill for an act relating to agriculture; protecting certain persons from eviction from agricultural land for a limited

time; amending Minnesota Statutes 1986, section 500.24, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 500.24, is amended by adding a subdivision to read:

Subd. 6a. [PROTECTION FROM EVICTION.] (a) An immediately preceding former owner who will have the right to receive an offer to lease or purchase agricultural land under subdivision 6 may not be evicted from the land by any legal process during the time before the new owner receives an offer from a third party to buy or rent the land and during the time the former owner has the right to match or refuse to match that offer. Eviction may only take place after an event in subdivision 6, paragraph (g), clause (1) or (2), has occurred, the right of first refusal in United States Code, title 12, section 2219a, has occurred, or as a consequence of an event in paragraph (d) or (e).

(b) The immediately preceding former owner may elect to occupy the entire property or a portion of the property, however, if election is made to occupy a portion of the property, that portion must be contiguous and compact so that it does not unreasonably reduce access to or the value of the remaining property.

(c) During the time a former owner is protected from eviction under this subdivision, the new owner may require the person protected to pay fair market rent, on a monthly basis, to the new owner of the property. If the new owner requires the former owner to pay rent, the new owner may also require payment of a security deposit equivalent to one month's rent. Upon termination of the rental period, the new owner must return to the former owner the security deposit pursuant to section 504.20, subdivisions 1 to 3, except that the new owner is not required to pay interest on the security deposit. For purposes of this paragraph, "fair market rent" means a prorated portion of annual rent. If the rented portion of the property is less than the entire property, "fair market rent" must apply only to the portion rented. In case of a dispute concerning fair market rent of the property or the rented portion of the property, the county extension agent of the county in which the property is located shall establish the fair market rent of the buildings on the property or the portion of the property rented by the former owner.

(d) The right to protection under paragraph (a) is extinguished if the immediately preceding former owner intentionally destroys or wastes, or allows the destruction or waste of the property of the new owner. For purposes of determining if destruction or waste has

occurred, the new owner may perform inspections of the property as follows:

(1) An initial inspection may be made at the time the right to protection under paragraph (a) is established.

(2) Inspections of the property under this paragraph are permitted only upon 24-hour prior notice to the immediately preceding former owner.

(e) Failure of the former owner to pay rent as described in paragraph (c) removes the former owner's protection from eviction.

(f) During the time a former owner is protected from eviction under this subdivision, the new owner or an agent for the new owner may enter the property for purposes of showing the property to a prospective buyer or lessee under the following conditions:

(1) the new owner or an agent for the new owner must not show the property more frequently than once in each period of three consecutive days; and

(2) the new owner or an agent for the new owner must notify the former owner or a responsible adult at the residence of the former owner not less than 24 hours before the scheduled showing to a prospective buyer or lessee.

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.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2159, A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2172, A bill for an act relating to retirement; state university and community college supplemental plan; authorizing a deduction for administrative expenses; deleting the age minimum for withdrawal of shares; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 136.81, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. [FOOD SERVICE EMPLOYEES.] Employees of a contracted food service operation employed at Bemidji State University, St. Cloud State University, or Southwest State University, if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may elect to enroll themselves and their dependents at their own or their employer's expense in the appropriate state plans for life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves."

Page 2, line 3, restore the stricken language

Pages 4 and 5, delete section 3

Page 5, line 14, delete "4" and insert "3"

Page 5, line 15, delete "to 3" and insert "and 2"

Delete the title and insert:

"A bill for an act relating to retirement; state university and community college supplemental plan; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 43A.27, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2205, A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325F.81] [REPLICA FIREARMS; WARNING LABEL.]

Subdivision 1. [DEFINITION.] For purposes of this section, "replica firearm" means a device or object that is a facsimile or toy version of, or otherwise reasonably appears to be a pistol, revolver, shotgun, sawed-off shotgun, rifle, machine gun, rocket launcher, or any other firearm that is not otherwise defined as a dangerous weapon.

Subd. 2. [WARNING LABEL REQUIRED.] A person may not in the regular course of business offer for sale or sell a replica firearm unless it bears a warning label complying with this section. The warning label must be affixed to the replica firearm, or to the package or box containing the replica firearm, so that it is clearly visible to the buyer.

Subd. 3. [LABEL REQUIREMENTS.] The word "warning" must be printed clearly on the label in upper case letters that measure at least one-half inch in size centered over the body copy of the actual warning. The warning label copy must be printed in letters that measure at least 3/32 of an inch in size. The warning label must be printed in red ink against a white background. The warning label must state the criminal penalties under state law that may arise from use of the replica firearm, and specifically describe the prohibited activities.

Subd. 4. [VIOLATION.] A person who violates this section is subject to the remedies under section 8.31, except that a civil penalty imposed under that section may not exceed \$500 per violation.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1989, and applies to violations occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; requiring a warning label on replica firearms; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325F."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2249, A bill for an act relating to economic development; establishing a celebrate Minnesota 1990 program; establishing a Minnesota marketplace program; authorizing certain fund transfers; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

The legislature finds that Minnesota's quality of life is strongly dependent on the energy, ingenuity, and leadership of its communities and neighborhoods. It is the intent of this legislation to strengthen the tools available to the communities and neighborhoods and to assist in projects that enhance their appearance, encourage environmental cleanup and beautification, foster community pride and spirit, increase the communities' leadership potential, and strengthen the communities' and neighborhoods' businesses. The purpose of this act is to encourage statewide participation in these programs by communities and neighborhoods of all sizes.

Sec. 2. Minnesota Statutes 1987 Supplement, section 116J.981, is amended to read:

116J.981 [MAIN STREET PROGRAM.]

The commissioner shall develop and administer a main street program to assist cities in the revitalization of their communities and businesses. The purpose of the program is to strengthen local organization and local management of business districts so that cities become more self-reliant and not dependent on future state financial assistance. ~~The staff dedicated for this program~~ commissioner shall assist cities that request assistance in the following manner:

(1) improving the organization of a city's business district including the leadership skills of business owners and city officials;

(2) establishing a marketing strategy to promote a city's business district to residents of the surrounding trade area;

(3) providing technical assistance in the design and rehabilitation of buildings in a city's business district including historic preservation; and

(4) establishing a strategy to strengthen existing businesses, recruit new businesses, diversify the mix of businesses, and develop vacant property in a city's business district; and

(5) providing main street grants under section 3 for cleanup, beautification, and community improvement.

Sec. 3. [116J.9815] [MINNESOTA MAIN STREET GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner may make main street grants to local communities for cleanup, beautification, and community improvement activities and programs. The commissioner is encouraged to solicit private contributions for the program. For the purposes of this section, "community" means a home rule charter or statutory city, or town. A local community improvement or development organization may apply for a grant if the governing body of the municipality in which the organization is located passes a resolution in support of the grant application.

Subd. 2. [GRANT CRITERIA.] The following criteria apply to grants made under the Minnesota main street program.

(a) Grants must be used for cleanup, beautification, or community improvement projects. Examples of eligible projects include removing or repairing dilapidated buildings, landscaping community entrance areas, creating public activity areas, and beautifying roadsides.

(b) Any single grant may not exceed \$25,000. A community may not receive more than three grants in any one year.

(c) A community or organization must provide a local match at least equal to the amount of the grant from nonstate sources. The local match may include money, materials, services, and volunteer labor.

Subd. 3. [COORDINATION WITH OTHER PROGRAMS.] A community or organization applying for a Minnesota main street grant should coordinate its project with other available resources, includ-

ing the Minnesota community improvement program, Minnesota beautiful, the Minnesota community development program, local improvement programs, and private foundation initiatives.

Subd. 4. [GRANT APPLICATION PROCEDURE.] A participating community or organization must submit a plan in accordance with application procedures of the commissioner. The plan must include a description of the projects to be funded by the grant, identification of the local match required under subdivision 2, clause (c), and a timetable for completion.

Sec. 4. [CELEBRATE MINNESOTA 1990 ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERS.] The celebrate Minnesota 1990 advisory committee consists of 11 members appointed by the governor. Members of the committee must be representatives of community leadership, economic development organizations, tourism, history, the arts, and the general public. Members shall be compensated as provided under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 2. [EXECUTIVE DIRECTOR.] The governor shall appoint an executive director to serve the advisory committee.

Subd. 3. [DUTIES.] The celebrate Minnesota 1990 advisory committee shall:

(1) advise the commissioner of trade and economic development regarding the Minnesota main street grant program;

(2) assist in the development and coordination of celebrate Minnesota 1990 activities and programs; and

(3) prepare a report to be submitted to the legislature by June 30, 1991, regarding celebrate Minnesota 1990 activities and programs and recommending future activities and programs which will promote Minnesota's environment and quality of life.

Sec. 5. [STATE AGENCY COOPERATION.]

All state departments and agencies shall cooperate and assist in the planning and execution of the celebrate Minnesota 1990 program. All state government activities relating to celebrate Minnesota 1990 shall be coordinated under the direction of the executive director of the celebrate Minnesota 1990 advisory committee and the department of trade and economic development. All state departments and agencies shall make available studies, reports, data, expertise, and technical assistance necessary to the implementation of celebrate Minnesota 1990 programs and activities.

Sec. 6. [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 6 to 10, the following terms have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of trade and economic development.

Subd. 3. [MARKETPLACE ASSISTANCE ORGANIZATION.] "Marketplace assistance organization" means the organization selected under section 7.

Sec. 7. [MINNESOTA MARKETPLACE PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall assist Minnesota businesses through the Minnesota marketplace program to meet business needs for competitive goods and services within Minnesota before seeking suppliers from a wider marketplace.

Subd. 2. [ORGANIZATION SELECTION.] The commissioner shall select and contract with a marketplace assistance organization to administer the Minnesota marketplace program. The organization must:

- (1) be a nonprofit corporation;
- (2) have officers and employees who are knowledgeable on the subject of community-based economic development and development strategies; and
- (3) have demonstrated the capability of providing statewide informational and technical services to communities and economic development organizations.

No contract may extend beyond June 30, 1990.

Subd. 3. [PROGRAM DUTIES.] The marketplace assistance organization must:

- (1) provide promotional materials and conduct education seminars to inform local communities, economic development organizations, and businesses about the Minnesota marketplace program;
- (2) provide information and technical assistance to organizations interested in applying for local provider organization grants;
- (3) develop standard procedures for the collection of information required under section 8;
- (4) collect and maintain information required under section 8;

(5) recommend to the commissioner the criteria that should be used in selecting the local provider organizations under section 8;

(6) provide the commissioner a list of recommended organizations to locally administer the program;

(7) suggest goals and evaluation procedures for the local provider organizations to the commissioner;

(8) coordinate Minnesota marketplace program activities with existing department programs; and

(9) identify permanent funding sources for the Minnesota marketplace program.

Subd. 4. [TECHNICAL ASSISTANCE.] The organization may contract with an organization that has experience in establishing and administering a program similar to the program created in this section to:

(1) provide assistance in establishing the program;

(2) assist in developing promotional and educational materials;

(3) identify the characteristics required of the local provider organizations to effectively administer the program locally; and

(4) assist in developing the necessary tools for collecting and maintaining the information required under section 8.

Sec. 8. [LOCAL PROVIDER ORGANIZATIONS.]

Subdivision 1. [SELECTION.] The commissioner shall select and contract with seven local provider organizations, with one provider organization located within each of the six regions established under Minnesota Statutes, section 116N.08, subdivision 2, and one provider organization located within the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2 to provide the program on a regional basis. Eligible provider organizations include regional development commissions, community development corporations, and other nonprofit corporations with the ability to deliver program services on a regional basis. A local provider organization may establish more than one office in the appropriate region.

Subd. 2. [GRANTS.] The commissioner must award grants to the local provider organizations based upon the following criteria:

(1) recommendations of the marketplace assistance organization;

(2) the applicant's knowledge of business operations within the region; and

(3) the applicant's ability to provide equal access to businesses located within the region.

The local provider organization must provide at least a 50 percent local match to obtain a grant award. The commissioner may award annual grants based upon local provider organization performance standards, such as the number of businesses assisted per year.

Subd. 3. [DUTIES.] Local provider organizations must:

(1) contact Minnesota businesses in order to identify goods and services which are bought outside of Minnesota and to determine which of these goods and services are available for purchase on competitive terms within the state;

(2) determine what goods and services that businesses are willing to purchase from within the state;

(3) advertise goods and services available within Minnesota;

(4) compile a list of suppliers of goods and services available for purchase within the state;

(5) solicit contributions for the Minnesota marketplace program; and

(6) report to the marketplace assistance organization and the commissioner on all Minnesota marketplace activities by July 1 of each year.

Sec. 9. [STATE AGENCY COOPERATION.]

State departments and agencies shall cooperate with the marketplace assistance organization selected to administer the Minnesota marketplace program and with the local provider organizations in providing information and technical assistance necessary for program operations.

Sec. 10. [ANNUAL REPORT.]

On August 1 of each year, the marketplace assistance organization shall submit a report to the commissioner on statewide Minnesota marketplace program activities.

Sec. 11. [APPROPRIATION.]

Subdivision 1. [MINNESOTA MAIN STREET PROGRAM.] \$ is appropriated from the general fund to the commissioner of trade and economic development for the further development of the main street program under sections 1 to 3. The commissioner may use this appropriation to provide Minnesota main street grants under section 3, provide staff and to purchase training services for communities from the National Main Street Center.

Subd. 2. [CELEBRATE 1990.] \$ is appropriated from the general fund to the commissioner of trade and economic development for the celebrate 1990 advisory committee under section 4 and for publications, production of promotional materials, and other expenses related to the promotion and coordination of celebrate 1990 activities.

Subd. 3. [MINNESOTA MARKETPLACE.] \$ is appropriated from the general fund to the commissioner of trade and economic development to carry out the purposes of sections 6 to 10. \$ of this appropriation is available immediately to the marketplace assistance organization. The commissioner must place the remainder in a separate account and release money from that account to the marketplace assistance organization and the local provider organizations only as an equal match for nonstate gifts and grants.

Sec. 12. [ECONOMIC DEVELOPMENT FUND; TRANSFERS.]

The unencumbered balance of an appropriation in Laws 1987, chapter 386, from the economic development fund to the commissioner of energy and economic development to administer programs under either the rural development board in article 1 or the Minnesota public facilities authority in article 3 may be transferred from one of those appropriations to the other after getting the approval of the chair of the appropriation committee of the house of representatives and the chair of senate finance committee. The commissioner shall not propose a transfer unless the commissioner believes that it will carry out the intent of the legislature.

Sec. 13. [REPEALER.]

Sections 1, 4, and 5 are repealed July 1, 1991. Sections 6, 7, 8, 9, and 10 are repealed July 1, 1990."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "establishing a Minnesota main street grant program;"

Page 1, line 3, delete "program" and insert "advisory committee"

Page 1, line 5, before the period insert “; amending Minnesota Statutes 1987 Supplement, section 116J.981; proposing coding for new law in Minnesota Statutes, chapter 116J”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2252, A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

Reported the same back with the following amendments:

Page 1, delete lines 14 to 16 and insert:

“Subd. 2. [CONDITIONS OF CONVEYANCE.] The conveyance shall be in a form approved by the attorney general, and shall be given in consideration of an assignment to the state of Minnesota, in a form approved by the attorney general, by the city of Brooklyn Center of any claims which the city may have with respect to the previous conveyance to the city of lands described in subdivision 3 against the vendors of said lands and against any party which provided an abstract of title covering said lands to the city or the city’s attorneys. Should public use of said land cease, it shall revert to the state of Minnesota.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2271, A bill for an act relating to health; regulating the sale of hearing aids; regulating persons who dispense hearing aids; appropriating money; prescribing penalties; amending Minnesota Statutes 1986, section 145.43, subdivision 1; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 153A; repealing Minnesota Statutes 1986, sections 153A.01 to 153A.12.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 145.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Hearing aid" means any instrument or device designed for or represented as aiding defective human hearing, and its any parts, attachments, or accessories of such devices, including but not limited to ear molds. Batteries and cords shall not be considered parts, attachments, or accessories of a hearing aid.

Sec. 2. Minnesota Statutes 1986, section 145.43, subdivision 1a, is amended to read:

Subdivision 1a. [30-DAY GUARANTEE AND BUYER RIGHT TO CANCEL.] No person shall sell a hearing aid in this state unless:

(a) The seller provides the buyer with a 30-day written money-back guarantee. The guarantee must:

(1) permit the buyer to cancel the purchase for any reason within 30 days after receiving the hearing aid by giving or mailing written notice of cancellation to the seller. If the hearing aid needs to be repaired, remade, or adjusted during the 30-day money-back guarantee period, the running of the 30-day period shall be suspended one day for each 24-hour period that the hearing aid is not in the buyer's possession. A repaired, remade, or adjusted hearing aid must be claimed by the buyer within three working days after notification of availability, after which time the running of the 30-day period will resume;

(2) entitle the buyer, upon cancellation, to receive a full refund of payment within 30 days of return of the hearing aid to the seller; provided, however, that. The seller may retain as a cancellation fee the actual cost of any custom ear molds made for the canceled hearing aid so long as this cancellation fee does not exceed ten percent of the buyer's total payment for the hearing aid;

(b) The seller shall provide the buyer with a contract written receipt or contract to the buyer which includes, in plain English, that contains uniform language and provisions that meet the requirements and are certified by the attorney general under the plain language contract act, sections 325G.29 to 325G.36. The contract shall include, but is not limited to, the following: in immediate proximity to the space reserved for the signature of the buyer, or on the first page if there is no space reserved for the signature of the buyer, a clear and conspicuous disclosure of the following specific statement in all capital letters of no less than 12-point boldface type: MINNESOTA STATE LAW GIVES THE BUYER HAS THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 30TH CALENDAR DAY AFTER RECEIPT OF THE HEARING

AID(S). IF THE BUYER DECIDES TO RETURN THE HEARING AID(S) WITHIN THIS 30-DAY PERIOD, THE BUYER WILL RECEIVE A REFUND OF \$ (State the dollar amount of refund.)

Sec. 3. Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4, is amended to read:

Subd. 4. [ITEMIZED REPAIR BILL.] (a) Any person or company who agrees to repair a hearing aid must provide the customer owner of the hearing aid, or the owner's representative, with a billing bill that specifically itemizes all parts and labor charges for services rendered. The bill must also include the person's or company's name, address, and phone number.

(b) This subdivision does not apply to:

(1) a person or company that repairs a hearing aid pursuant to an express warranty covering the entire hearing aid and the warranty covers the entire costs, both parts and labor, of the repair; and

(2) a person or company that repairs a hearing aid and the repair entire hearing aid after being repaired is expressly warranted for a period of at least ~~one year~~ six months, the warranty covers the entire costs, both parts and labor, of the repair, and a copy of the express warranty is given to the customer, owner or the owner's representative. The owner of the hearing aid or the owner's representative must be given a written express warranty that includes the repairing person's or company's name, address, and phone number; the make, model, and serial number of the hearing aid repaired; the exact date of the last day of the warranty period; and the terms of the warranty.

Sec. 4. [153A.13] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HEARING INSTRUMENT.] "Hearing instrument" means an instrument designed to or represented as being able to aid defective human hearing. Hearing instrument includes the instrument's parts, attachments, or accessories, including, but not limited to, ear molds. Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Surgically implanted hearing instruments and assistive listening devices that do not require testing, fitting, or the use of ear molds and are not worn within the ear canal, are not hearing instruments.

Subd. 4. [HEARING INSTRUMENT SELLING.] "Hearing instrument selling" means fitting and dispensing hearing instruments, assisting the consumer in instrument selection, selling hearing instruments at retail, and testing human hearing in connection with these activities.

Subd. 5. [SELLER OF HEARING INSTRUMENTS.] "Seller of hearing instruments" means a natural person who engages in hearing instrument dispensing whether or not registered by the commissioner of health or licensed by an existing health-related board.

Sec. 5. [153A.14] [REGULATION.]

Subdivision 1. [APPLICATION FOR PERMIT.] A seller of hearing instruments shall apply to the commissioner for a permit to dispense hearing instruments. The commissioner shall provide applications for permits. At a minimum, the information that an applicant must provide includes the seller's name, social security number, business address and phone number, employer, and information about the seller's education, training, and experience in testing human hearing and fitting hearing instruments. The commissioner may reject an application for a permit if there is evidence of a violation or failure to comply with sections 4 to 7.

Subd. 2. [ISSUANCE OF PERMIT.] The commissioner shall issue a permit to each seller of hearing instruments who applies under subdivision 1 once the commissioner determines that the applicant is in compliance with sections 4 to 7.

Subd. 3. [NONTRANSFERABILITY OF PERMIT.] The permit cannot be transferred.

Subd. 4. [SALE OF HEARING INSTRUMENTS WITHOUT PERMIT.] It is unlawful for any person not holding a valid permit to sell hearing instruments as defined in section 4, subdivision 3. A person who sells a hearing instrument without the permit required by this section is guilty of a gross misdemeanor.

Subd. 5. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules under chapter 14 to implement sections 4 to 9.

Subd. 6. [HEARING INSTRUMENTS TO COMPLY WITH FEDERAL AND STATE REQUIREMENTS.] The commissioner shall ensure that hearing instruments are dispensed in compliance with state requirements and the requirements of the United States Food and Drug Administration. Failure to comply with state or federal regulations may be grounds for enforcement actions under section 6.

Subd. 7. [CONTESTED CASES.] The commissioner shall comply

with the contested case procedures in chapter 14 when suspending, revoking, or refusing to issue a permit under subdivision 1.

Sec. 6. [153A.15] [PROHIBITED ACTS; ENFORCEMENT; AND PENALTY.]

Subdivision 1. [PROHIBITED ACTS.] The commissioner may reject an application for a permit or may act under subdivision 2 against a seller of hearing instruments for failure to comply with a provision of sections 4 to 7. Failure to apply to the commissioner for a permit, or supplying false or misleading information on the application for a permit, shall constitute grounds for action under subdivision 2. The following acts and conduct are also grounds for action under subdivision 2:

(1) prescribing or otherwise recommending to a consumer or potential consumer the use of a hearing instrument unless the prescription from a physician or recommendation from a hearing instrument dispenser or audiologist is in writing, is delivered to the consumer or potential consumer, and bears the following information in all capital letters of no less than 12-point or larger bold-face type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY AND HEARING INSTRUMENTS MAY BE PURCHASED FROM THE DISPENSER, AUDIOLOGIST, OR PHYSICIAN OF YOUR CHOICE." A prescription or written recommendation must include, upon the authorization of the consumer or potential consumer, the audiogram upon which the prescription or recommendation is based only when there has been a charge for the audiogram;

(2) representing through any advertising or communication to a consumer or potential consumer, that a person's permit to sell hearing instruments indicates state approval, endorsement, or satisfaction of standards of training or skill;

(3) being disciplined through a revocation, suspension, restriction, or limitation, by another state for conduct subject to action under subdivision 2;

(4) presenting advertising that is false or misleading;

(5) providing the commissioner with false or misleading statements of credentials, training, or experience;

(6) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

(7) splitting fees or promising to pay a portion of a fee to any other

professional other than a fee for services rendered by the other professional to the client;

(8) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistant laws;

(9) obtaining money, property, or services from a consumer, through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud; or

(10) failing to comply with restrictions on sales of hearing aids in section 145.43.

Subd. 2. [ENFORCEMENT ACTIONS.] When the commissioner finds that a seller of hearing instruments has violated one or more provisions of sections 4 to 7, the commissioner may do one or more of the following:

(1) deny or reject the application for a permit;

(2) revoke the permit;

(3) suspend the permit;

(4) impose, for each violation, a civil penalty that deprives the seller of any economic advantage gained by the violation and that reimburses the department of health for costs of the investigation and proceeding; and

(5) censure or reprimand the seller.

Subd. 3. [PROCEDURES.] The commissioner shall establish, in writing, internal operating procedures for receiving and investigating complaints and imposing enforcement actions. Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14.

Subd. 4. [PENALTY.] A person violating sections 4 to 7 is guilty of a misdemeanor.

Sec. 7. [153A.16] [BOND REQUIRED.]

Subdivision 1. A sole proprietor, partnership, association, or corporation engaged in hearing instrument dispensing shall provide a surety bond in favor of the state of Minnesota in the amount of \$5,000 for every individual engaged in the practice of hearing instrument dispensing, up to a maximum of \$25,000.

Subd. 2. The bond required by this section shall be in favor of the state for the benefit of any person who suffers loss of payments for the purchase or repair of a hearing instrument after July 1, 1988, due to insolvency or cessation of the business of the sole proprietor, partnership, association, or corporation engaged in hearing instrument dispensing. A copy of the bond shall be filed with the attorney general. Any person claiming against the bond may maintain an action at law against the surety and the sole proprietor, partnership, association, or corporation.

Subd. 3. The aggregate liability of the surety to all persons for all breaches of the conditions of the bonds provided herein shall in no event exceed the amount of the bond.

Sec. 8. [153A.17] [EXPENSES.]

The expenses for administering the permit requirements for hearing aid dispensers in section 5, subdivision 1, and the consumer information center under section 9, must be paid from permit fees collected under the authority granted in section 214.06, subdivision 1. The expenses of administering the registration of speech language pathologists, audiologists, and hearing instrument dispensers under the commissioner of health's general grant of authority in section 214.13 must be paid from registration fees collected pursuant to that section.

Sec. 9. [153A.18] [CONSUMER INFORMATION CENTER.]

The commissioner shall establish a consumer information center to assist actual and potential purchasers of hearing aids by providing them with information regarding hearing instrument sales. The consumer information center shall disseminate information about consumers' legal rights related to hearing instrument sales, provide information relating to complaints about sellers of hearing instruments, and provide information about outreach and advocacy services for consumers of hearing instruments. In establishing the center and developing the information, the commissioner shall consult with representatives of hearing instrument dispensers, audiologists, physicians and consumers.

Sec. 10. [153B.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 10 to 23.

Subd. 2. [BOARD.] "Board" means the state board of examiners for speech-language pathology and audiology.

Subd. 3. [DEPARTMENT.] "Department" means the department of health.

Subd. 4. [PERSON.] "Person" means a individual, corporation, partnership, or other legal entity.

Subd. 5. [SPEECH-LANGUAGE PATHOLOGIST.] "Speech-language pathologist" means an individual who: (1) practices speech-language pathology; (2) makes a nonmedical evaluation; (3) examines, counsels, or provides habilitative or rehabilitative services for persons who have or are suspected of having speech, articulation, fluency, voice, verbal and written language, deglutition or cognitive communication disorders; and (4) meets the qualifications in sections 10 to 23.

Subd. 6. [PRACTICE OF SPEECH-LANGUAGE PATHOLOGY.] "The practice of speech-language pathology" means the application of principles, methods, and procedures for measurement, diagnosis and evaluation, identification, prediction, counseling, habilitation, rehabilitation, or instruction and research related to the development and disorders of speech, articulation, fluency, voice, verbal and written language, deglutition, oral-motor dysfunction, oral-motor facilitation, cognition or communication for the purpose of rendering or offering to render an evaluation, prevention, or modification of these disorders and conditions in planning, directing, conducting, and supervision of progress for identification, evaluation, habilitation, and rehabilitation of disorders of speech, articulation, fluency, voice, verbal and written language, deglutition and cognition or communication, or both, in individuals or groups of individuals. Speech-language pathologists may perform the basic audiometric screening tests and aural habilitative or rehabilitative, or both, procedures consistent with their education.

Subd. 7. [AUDIOLOGIST.] "Audiologist" means an individual who: (1) practices audiology; (2) makes a nonmedical evaluation; (3) examines, counsels, or provides habilitative or rehabilitative services for persons who have or are suspected of having a hearing or auditory perceptual disorder or examines, counsels, and provides those services; and (4) meets the qualifications in sections 10 to 23.

Subd. 8. [PRACTICE OF AUDIOLOGY.] "Practice of audiology" means the nonmedical testing, evaluating, counseling, consulting, instruction, habilitation, and rehabilitation of individuals whose communication disorders and related communication impairments center in whole or in part in the hearing function for the purpose of nonmedical diagnosis prevention, identification, amelioration, or modification of those disorders and conditions.

Sec. 11. [153B.02] [STATE BOARD.]

Subdivision 1. [CREATION.] The state board of examiners for speech-language pathology and audiology consists of nine members appointed by the governor.

Subd. 2. [MEMBERSHIP.] Members of the board must have been residents of the state of Minnesota for two years immediately preceding appointment and must be representative of various geographic areas of the state and representative of various employment settings, as required by this section. Six members must have been engaged in rendering services, teaching, or research in speech-language pathology or audiology for at least five years. Of the six members, three members shall be audiologists, and three members shall be speech-language pathologists. Except for those members initially appointed, all six shall hold valid licenses under sections 10 to 23. Three other members shall be public members as defined by section 214.02.

Subd. 3. [MEMBERSHIP TERMS; OFFICERS; QUORUM; EXPENSES.] (a) Members shall be appointed for staggered terms of six years, with three terms beginning August 1 of each odd-numbered year. Members of the board serve until the expiration of the term to which they have been appointed or until their successors have qualified. A person may not be appointed to serve more than two consecutive terms.

(b) The board shall organize annually and select a chair and vice chair. The initial chair shall be an individual who is qualified for licensing under sections 10 to 23. After January 1, 1990, the chair shall hold a valid license issued under sections 10 to 23.

(c) Six members of the board constitute a quorum to do business.

(d) The board shall hold at least two regular meetings each year at which time an examination as required by section 10 must be offered. Additional meetings may be held at the call of the chair or at the written request of any three members of the board. At least 14 days' written advance notice of the board meeting is required.

(e) Board members shall receive compensation for their services in accordance with section 15.0575.

Subd. 4. [ADMINISTRATIVE ASSISTANCE.] The Minnesota department of health shall provide administrative and clerical employees necessary for the board to carry out its duties under sections 10 to 23.

Subd. 5. [SUBCOMMITTEES AND CONSULTANTS.] The board may appoint subcommittees of its members to study any matter within the jurisdiction of the board. The board may also contract or consult with medical doctors of its choosing on any matter within the jurisdiction of the board.

Sec. 12. [153B.03] [DUTIES OF THE BOARD.]

The board shall:

(1) adopt rules necessary to administer and enforce sections 10 to 23;

(2) administer, coordinate, and enforce sections 10 to 23;

(3) evaluate the qualifications of applicants;

(4) provide for the examination of applicants;

(5) issue subpoenas, examine witnesses, and administer oaths;

(6) conduct hearings and keep records and minutes necessary to the orderly administration of sections 10 to 23;

(7) investigate persons engaging in practices that violate sections 10 to 23; and

(8) adopt rules under chapter 14 prescribing a code of ethics for licensees.

Sec. 13. [153B.04] [QUALIFICATION OF APPLICANTS FOR A LICENSE IN SPEECH-LANGUAGE PATHOLOGY OR AUDIOLOGY.]

(a) To be licensed as a speech-language pathologist or audiologist, an applicant must:

(1) possess at least a master's degree with a major in speech-language pathology, audiology, or communication disorder from an accredited or approved college or university;

(2) submit to the board transcripts from one or more educational institutions evidencing completion of at least 18 quarter hours in courses providing fundamental information applicable to the normal development of speech, hearing, and language and at least 45 quarter hours in courses providing information about and training in evaluation and management of speech, language, and hearing disorders, and of these 45 quarter hours:

(i) no fewer than nine shall be in audiology for a person applying for licensure in speech-language pathology;

(ii) no fewer than nine shall be in speech-language pathology for a person applying for licensure in audiology;

(iii) no more than nine shall be in courses providing academic credit for clinical practice;

(iv) at least 36, not including credits for thesis or dissertation requirements, shall be in the field for which the license is sought; and

(v) at least 45 shall be in courses considered by the educational institution in which they are conducted as acceptable for application toward a graduate degree;

(3) submit to the board evidence of the completion of at least 300 hours of supervised, direct clinical experience with a variety of communication disorders, which is received within the educational institution itself or a program with which it cooperates;

(4) have obtained the equivalent of nine months of full-time supervised professional experience in which bona fide clinical work has been accomplished in the major professional area for which the license is being sought, under the supervision of a person qualified in accordance with the rules of the board. The experience must have begun after completion of the academic and clinical experience required by this section; and

(5) pass the examination required by section 14.

(b) A person holding a certificate of clinical competence from the American Speech-Language-Hearing Association in the area for which a license is sought is considered qualified to take the licensing examination required by section 14.

Sec. 14. [153B.05] [APPLICATION AND EXAMINATION.]

Subdivision 1. [APPLICATION TO LICENSE.] A person desiring a license under sections 10 to 23 shall apply to the board on a form and in the manner the board prescribes. The application must be accompanied by an application fee in an amount determined by the board.

Subd. 2. [EXAMINATION.] (a) Each applicant shall be examined by the board and shall pay to the board, at least 30 days before the date of examination, a nonrefundable examination fee prescribed by the board. The examination shall be given at least twice each year at a time and place established by and under the supervision of the committee.

(b) The board shall examine by written examination. The board shall maintain a record of all examination scores for at least two years after the date of examination.

(c) Standards for acceptable performance shall be determined by the board.

(d) The board may examine in whatever theoretical or applied fields of speech-language pathology or audiology it determines appropriate. It may examine the candidates with regard to their professional skills and their judgment in the utilization of speech-language pathology or audiology techniques or methods.

(e) A person who fails the examination may be examined at a later time if the person pays another nonrefundable examination fee. No applicant who has taken and failed to pass two examinations may take the examination until the person has submitted a new application together with a nonrefundable application fee and presented evidence to the board of additional study in the area for which licensure is sought.

(f) Separate examinations must be given for speech pathology and audiology.

Sec. 15. [153B.06] [LICENSING UNDER SPECIAL CONDITIONS.]

(a) The board may waive the examination and grant a license to an applicant who presents proof that the applicant holds a current license in another state, the District of Columbia, or a territory of the United States that maintains professional standards considered by the board to be equivalent to those in sections 10 to 23 and the rules adopted by the board.

(b) The board may waive the examination and grant a license to an applicant who holds the Certificate of Clinical Competence of the American Speech-Language Hearing Association or has met equivalent requirements in the area for which a license is sought.

Sec. 16. [153B.07] [ISSUANCE OF LICENSE.]

(a) The board shall issue a license to an applicant who meets the requirements of sections 10 to 23 and who pays to the board the initial nonrefundable license fee.

(b) A temporary certificate of registration may be applied for by a person who fulfills the requirements of section 13 and who has not previously applied to take the examination required by section 14.

(c) On receiving an application provided for under paragraph (b) of this section accompanied by the nonrefundable application fee, the board shall issue a temporary certificate of registration entitling the applicant to practice audiology or speech-language pathology for a period ending eight weeks after the conclusion of the next examination given after the date of issue.

(d) All licenses expire and become invalid one year from the date of issuance if not renewed.

Sec. 17. [153B.08] [LICENSING AND REGULATION OF SPEECH-LANGUAGE PATHOLOGISTS AND AUDIOLOGISTS.]

(a) Separate licenses must be granted in speech-language pathology and in audiology. A person may be licensed in either or both the areas of speech-language pathology or audiology if the person meets the qualifications of either or both areas.

(b) A person may not practice speech pathology or audiology or represent himself or herself as a speech-language pathologist or audiologist in this state after January 1, 1990, unless that person is licensed in accordance with sections 10 to 23.

Sec. 18. [153B.09] [RENEWAL OF LICENSE.]

Subdivision 1. [FEE REQUIRED.] A licensed speech-language pathologist or audiologist shall annually pay the nonrefundable renewal fee for a renewal of the license. The fee must be set by the board. A 60-day grace period must be allowed. After expiration of the grace period, the board may renew each license after payment of a penalty set by the rules. No person who applies for renewal within two years after the date of expiration of the license shall be required to submit to an examination as a condition to renewal.

Subd. 2. [RENEWAL PROHIBITED.] A person who fails to renew a license within two years after the date of its expiration shall not renew it, and it shall not be restored, reissued, or later reinstated, but the person may apply for and obtain a new license if the person meets the requirements of sections 10 to 23.

Subd. 3. [CONTINUING EDUCATION REQUIRED.] Within three years of the effective date of sections 10 to 23, renewal of a license is contingent on the applicant's meeting uniform continuing education requirements to be established by the board. Notice of initial or amended continuing education requirements must be sent to all persons licensed under sections 10 to 23 at least 12 months before a person's license renewal is dependent on satisfaction of those requirements. Continuing education requirements must be sent to new applicants with the forms on which they are to apply for licensure.

Subd. 4. [RENEWAL OF SUSPENDED OR REVOKED LICENSES.] A suspended license expires as provided in section 16 and may be renewed as provided in sections 10 to 23, but the renewal does not entitle the licensee, while the license remains suspended and until it is reinstated, to engage in the licensed activity or in any other activity or conduct in violation of the order or judgment by

which the license was suspended. A license revoked on disciplinary grounds expires as provided in section 16, but it may not be renewed. If it is reinstated after its expiration, the licensee as a condition of reinstatement shall pay a reinstatement fee in an amount equal to the renewal fee in effect on the last preceding regular renewal date before the date on which it is reinstated plus any delinquency fee accrued at the time of the license revocation.

Sec. 19. [153B.10] [DENIAL, SUSPENSION, AND REVOCATION.]

Subdivision 1. [GROUNDS.] The board may refuse to issue a license to an applicant or may suspend or revoke the license of a licensee for any of the following reasons:

(1) fraud, misrepresentation, or concealment of material facts committed in the license application process;

(2) selling, bartering, or offering to sell or barter a license or certificate of registration;

(3) unprofessional conduct that has endangered or is likely to endanger the health, welfare, or safety of the public, as defined by the rules established by the board, or violation of the code of ethics adopted by the board;

(4) violating a lawful order or rule of the board; or

(5) violating any provisions of sections 10 to 23.

Subd. 2. [REINSTATEMENT.] The board shall deny an application for or suspend or revoke or impose probationary conditions on a license as ordered by the board after hearing as provided in subdivision 3. One year from the date of revocation of a license under sections 10 to 23, application may be made to the board for reinstatement of the license. The board may accept or reject an application for reinstatement and may require passage of an examination before reinstatement.

Subd. 3. [ACTION FOLLOWING CONVICTION.] At the direction of the board, a license may be suspended or revoked or the board may decline to issue a license when the time for appeal of a conviction has elapsed or a judgment or conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence irrespective of a later order allowing a person to withdraw a plea of guilty, or setting aside the verdict of guilty, or dismissing the information or indictment. A plea or verdict of guilty or a conviction following a plea of nolo contendere made to a charge of a felony or of an offense involving moral

turpitude is considered to be a conviction within the meaning of this subdivision.

Subd. 4. [PROCEDURE.] A person whose application for a license is denied is entitled to a contested case hearing under the administrative procedures act if the person submits a written request to the board.

Sec. 20. [153B.11] [PENALTIES.]

(a) A person who violates any provision of sections 10 to 23 is guilty of a misdemeanor.

(b) If a person other than a licensed speech-language pathologist or audiologist engages in an act or practice constituting an offense under sections 10 to 23, a district court of any county on application of the board may issue an injunction or other appropriate order restraining the act or practice.

Sec. 21. [153B.12] [DISPOSITION OF FUNDS.]

Money received by the board under sections 10 to 23 must be deposited in a fund in the state treasury known as the speech-language pathology and audiology fund and is appropriated to the department of health for administration of sections 10 to 23.

Sec. 22. [153B.13] [PERSONS AND PRACTICES NOT AFFECTED.]

Sections 10 to 23:

(1) do not prevent qualified persons licensed in this state under another law from engaging in the profession for which they are licensed;

(2) do not prevent or restrict the activities and services and the use of an official title by persons holding a valid and current certification in speech correction from the department of education if those persons perform speech-language pathology services solely as a part of their duties within an agency, institution, or organization under the jurisdiction of the department of education or within the public school system. If persons affected by this clause perform work as a speech-language pathologist apart from their positions within an agency, institution, or organization of the department of education or within the public school system, they must have a license issued under sections 10 to 23;

(3) do not restrict the activities and services of students or interns pursuing a course of study leading to a degree in speech-language pathology at an accredited college or university, if: (i) these activi-

ties and services constitutes a part of their supervised course of study or internship year; (ii) after January 1, 1990, they are supervised by a person licensed under sections 10 to 23; and (iii) they are designated by a title such as "speech-language pathology intern" or other title clearly indicating the educational status appropriate to their level of education;

(4) do not restrict activities and services of students and interns in audiology pursuing a course of study leading to a degree in audiology at an accredited college or university, if: (i) these activities and services constitute a part of their supervised course of study or internship year; (ii) after January 1990, they are supervised by a person licensed under sections 10 to 23; and (iii) they are designated by a title such as "audiology intern" or other title clearly indicating the educational status appropriate to their level of education;

(5) do not restrict the performance of speech-language pathology or audiology services in this state by a person not a resident of this state who is not licensed under sections 10 to 23 if the services are performed for no more than five days in a calendar year and if the person meets the qualifications and requirements for application for licensure in sections 10 to 23;

(6) do not apply to persons employed by the department in its programs concerned with hearing or speech services as long as they are performing duties under the jurisdiction of the department;

(7) do not apply to a person who either shows evidence of having received training by the department in one of the hearing screening training programs approved by it or practices under the supervision of a physician or an audiologist if all activities performed under this exception are limited to screening of hearing sensitivity;

(8) do not prevent persons in an industrial setting from engaging in hearing testing as a part of a hearing conservation program in compliance with regulations of the Occupational Safety and Health Administration if those persons are certified by an agency acceptable to the Occupational Safety and Health Administration;

(9) do not prevent or restrict speech or hearing sensitivity screening evaluations conducted by registered nurses licensed by the laws of this state and practicing in accordance with the standards of professional conduct and ethics adopted by the board of nursing; and

(10) do not restrict or prevent a licensed psychologist from engaging in the practice of psychology within the scope of the activities permitted under that license.

Notwithstanding section 11, the term of initial appointees to the board must be determined by lot as follows: three members are appointed for terms that expire August 1, 1989; three members are appointed for terms that expire August 1, 1991; and three members are appointed for terms that expire August 1, 1993.

Sec. 24. Minnesota Statutes 1987 Supplement, section 214.01, subdivision 2, is amended to read:

Subd. 2. "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical examiners created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, the social work licensing board pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the board of mental health service providers established pursuant to section 148B.41, the state board of examiners for speech-language pathology and audiology established by section 11, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 25. Minnesota Statutes 1987 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;

(6) architecture, engineering, land surveying and landscape architecture;

(7) barber examiners;

(8) cosmetology;

(9) electricity;

(10) teaching;

(11) peace officer standards and training;

(12) social work;

(13) marriage and family therapy;

(14) unlicensed mental health service providers;

(15) speech-language pathology and audiology; and

(15) (16) office of social work and mental health boards.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. In June of the year in which a salary increase is to be adopted, and at least 30 days before the board of medical examiners adopts a salary increase for its executive director, the board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.

The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service employees of the department servicing the board. To the extent practicable the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 26. [REPEALER.]

Minnesota Statutes 1986, sections 153A.01; 153A.02; 153A.03; 153A.04; 153A.05; 153A.06; 153A.07; 153A.08; 153A.09; 153A.10; 153A.11; and 153A.12, are repealed.

Sec. 27. [APPROPRIATION.]

\$ is appropriated from the general fund to the department of health for sections 4 to 9.

Sec. 28. [APPROPRIATION.]

\$ is appropriated to the speech-language pathology and audiology board for the purposes of sections 10 to 23, to be available until June 30, 1989. The first \$ of application and license fees received by the board of speech-language pathology and audiology must be returned to the general fund when that amount is received.

Sec. 29. [EFFECTIVE DATE.]

Sections 10 to 25 and 28 are effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to health; regulating the sale of hearing aids; regulating persons who dispense hearing aids; creating the state board of examiners for speech-language pathology and providing for its powers and duties; providing for the licensure and regulation of speech-language pathologists, and audiologists; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 145.43, subdivisions 1 and 1a; Minnesota Statutes 1987 Supplement, sections 145.43, subdivision 4; 214.01, subdivision 2; 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 153A and 153B; repealing Minnesota Statutes 1986, sections 153A.01 to 153A.12.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2295, A bill for an act relating to agriculture; requiring a study of the University of Minnesota's agricultural extension service and department of agriculture and applied economics; appropriating money.

Reported the same back with the following amendments:

Page 1, delete lines 9 and 10 and insert "The program evaluation division of the legislative audit commission shall"

Page 1, line 11, delete "of"

Page 1, line 12, after "service" insert ", agriculture experiment station,"

Page 1, line 13, delete everything after the period

Page 1, delete line 14

Page 1, line 15, delete "30, 1989." and delete "commissioner" and insert "commission"

Amend the title as follows:

Page 1, line 4, after "service" insert ", agriculture experiment station,"

Page 1, line 5, delete "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2317, A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 17, after the period insert "Section 1 does not authorize an increase in the amount of the bonded indebtedness."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2360, A bill for an act relating to retirement; authorizing

purchase of prior service credit in the teachers retirement association by a certain member.

Reported the same back with the following amendments:

Page 2, after line 34, insert:

“Sec. 2. [PURCHASE OF PRIOR SERVICE CREDIT FOR CERTAIN MINNEAPOLIS EMPLOYEES.]

Subdivision 1. [ENTITLEMENT.] Notwithstanding any law to the contrary, a person who was born on March 3, 1949, who was employed by the city of Minneapolis as an urban corps intern in August 1976, who was employed in the unclassified service of the city of Minneapolis as an assistant to an alderman with substantially the same duties as performed during the internship on August 25, 1978, and who is currently employed in that position and is a member of the Minneapolis employees retirement fund may purchase credit in that retirement fund for service during that internship. Eligibility to make the purchase of prior service credit expires on June 30, 1989.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] For any person entitled to purchase credit for prior service as provided in subdivision 1, there must be paid to the Minneapolis employees retirement fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the applicable mortality table adopted for the retirement fund and assuming continuous future service creditable by the retirement fund until, and retirement at, the age at which the minimum requirements of the retirement fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, for the retirement fund, and a future salary history that includes annual salary increases at the rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service must establish in the records of the retirement fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the Minneapolis employees retirement fund.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the Minneapolis employees retirement fund agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director based on the recent short term investment

earnings of the fund. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the employer of the person may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 3. Minnesota Statutes 1986, section 354.55, is amended by adding a subdivision to read:

Subd. 20. A person who contributes to the correctional employees retirement fund after having accrued formula service credit for teaching service rendered as a special teacher in a state correctional or security hospital facility shall have that teacher retirement association formula service credit considered the same as state employees retirement fund service credit is considered for benefit calculations in sections 352.93, subdivision 1, and 352.94, subdivision 1.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "member" insert "; authorizing a purchase of prior service credit in the Minneapolis employees retirement fund by certain persons; amending Minnesota Statutes 1986, section 354.55, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2415, A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending

Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2444, A bill for an act relating to jobs and training; establishing demonstration projects to create housing for homeless people; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 268.0111, is amended by adding a subdivision to read:

Subd. 4a. [HOMELESS INDIVIDUAL.] "Homeless individual," or "homeless person" means:

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; or

(2) an individual who has a primary nighttime residence that is:

(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term homeless individual does not include any individual imprisoned or otherwise detained pursuant to federal or state law.

Sec. 2. [268.39] [LIFESKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of lifeskills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 3. Grants awarded under this section

may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 3.

A lifeskill and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 3. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life-skill and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 3.

The application for a grant under this section must include a plan that must provide for:

- (1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and
- (2) tenant selection and rental policies that insure rental of units to people who are homeless if applicable.

The applicant must provide a proposed occupancy contract if applicable, the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 3. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 29. [HOUSING GRANTS FOR HOMELESS INDIVIDUALS.] The agency may provide grants to eligible mortgagors for the purpose of purchasing, rehabilitating, and constructing housing for homeless individuals as defined in section 1. The agency may determine the conditions, if any, under which all or a portion of the grant will be repaid and appropriate security, if any, for repayment of the grant. In establishing this grant program, the agency must consult the commissioner of jobs and training. The applicant must consult with advocates for the homeless, representatives from neighborhood groups and representatives of labor organizations in preparing the proposal.

Grants awarded under this section may not exceed \$25,000 per residential unit. Priority must be given to viable proposals with the lowest total cost. Applicants must consider the use of donated or leased, abandoned or empty dwellings owned by a public entity

including, but not limited to, a housing redevelopment authority, community development authority, public housing authority, the federal Department of Housing and Urban Development, or the Farmers Home Administration. Any residential unit purchased, rehabilitated, or constructed under this section must be allocated in the following order:

(1) homeless families with at least one dependent,

(2) other homeless individuals,

(3) other very low income families or individuals whose incomes are equal to or less than 30 percent of the median income for the Minneapolis-St. Paul metropolitan area, and

(4) families or individuals that receive public assistance and do not qualify in any other priority group.

Proposals must include a plan for (a) maintaining the ownership of the property and managing the dwelling for rental to homeless individuals and families and very low income families; (b) selling rehabilitated dwellings to homeless individuals and families or very low income families; or (c) for selling, leasing, or conveying to organizations that will manage the dwelling for rental to homeless individuals and families and very low income families. These organizations may include organizations awarded grants under section 2. The homeless individuals or families or very low income families that may purchase dwellings under (b) must have incomes that are equal to or less than 30 percent of the median income for the Minneapolis-St. Paul metropolitan area.

Eligible mortgagors must demonstrate that the grants awarded under this section will not exceed 50 percent of the project's total cost. A project's total cost includes, but is not limited to, acquisition costs, rehabilitation costs, and related costs. In cases where the property is donated, the acquisition costs are the prerehabilitated estimated market value as established for property tax purposes. Donated property may be used to satisfy the match requirement.

Sec. 4. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 3 and may pay the costs and expenses for the development and operation of the program.

Sec. 5. [APPROPRIATION.]

(a) \$ is appropriated from the general fund to the com-

missioner of jobs and training for grants awarded under section 2.

(b) \$ is appropriated from the general fund to the housing development fund established in section 462A.20 for grants awarded under section 3."

Delete the title and insert:

"A bill for an act relating to jobs and training; establishing grant programs for housing for homeless persons; appropriating money; amending Minnesota Statutes 1986, sections 268.0111, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2477, A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; amending Minnesota Statutes 1987 Supplement, sections 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

Reported the same back with the following amendments:

Page 2, line 13, delete "6.685" and insert "7.5"

Page 2, line 22, delete "6.685" and insert "7.5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2490, A bill for an act relating to state land; conveying title to state land in Kittson county.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

"Sec. 2. [SALE OF CERTAIN TAX-FORFEITED LAND; CHISAGO COUNTY.]

Notwithstanding Minnesota Statutes, section 282.018, Chisago county may sell certain tax-forfeited land located in the county that is described in this section.

The land that may be sold consists of lots and blocks and other lands described as:

Lot 10 lying west of the Sunrise River in block 7 of John S. Brown's addition to Sunrise City.

Outlot B of Rignell's Rearrangement of Deer Garden

Lot 6, Block 1 of Rignell's Rearrangement of Deer Garden

Cambridge Lake Estates, Unit 1

Outlot 1

Lots 14 to 17, Block 1

Lots 29 and 30, Block 1

Lots 32 to 35, Block 1

Lot 36, Block 1

Lots 10 and 11, Block 1

Park lot located in Block 1

Unit 3

Lot 26, Block 1

Unit 4

Lots 16 and 17, Block 1

That part of Block 11 bounded on North by continuance of north line of Second Street and bounded on South by south line of Second Street if said lines were extended easterly to St. Croix River.

That part of Block 11, bounded on North by line found by continuing North line of South one-half of Lot 4, Block 2, easterly in straight line to St. Croix River and bounded on South by continuing line between Lots 2 and 3, Block 2, easterly in straight line to St. Croix River.

That part of Block 11 bounded on North by a line found by continuing the line between Lots 1 and 2, Block 3, easterly in a straight line to St. Croix River and on South by continuing North line of Lot 5, Block 2, easterly in a straight line to St. Croix River.

All in the city of Taylors Falls.

Part of the Northeast one-quarter of the Southeast one-quarter described as follows:

Beginning at a point on the North line of Northeast one-quarter of Southeast one-quarter where the East line of right-of-way of Northern Pacific Railroad Company intersects the same; thence East on North line of the Northeast one-quarter of Southeast one-quarter to the Northeast corner thereof; thence South on the East line of the Northeast one-quarter of Southeast one-quarter four hundred ninety-six feet more or less to county ditch running in an easterly and westerly direction through said Northeast one-quarter of Southeast one-quarter; thence due West to the East line of the right-of-way of said railroad; thence North on East line of right-of-way to place of beginning.

Section 9, Township 37 North, Range 21 West"

Page 2, line 1, delete "Section 1 is" and insert "Sections 1 and 2 are"

Re-number sections in sequence

Amend the title as follows:

Page 1, line 3, delete "Kittson county" and insert "Chisago and Kittson counties"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2554, A bill for an act relating to education; allowing

noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2620, A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 129A.

Reported the same back with the following amendments:

Page 1, delete section 1.

Page 2, after line 31, insert:

"Sec. 2. [256E.13] [RIGHT TO RECEIVE SERVICES IN ANOTHER COUNTY.]

A person who is eligible for extended employment services under this chapter has the right to request and receive services outside the county of financial responsibility. The county shall consider the request and shall not disapprove a request for extended employment services solely on the basis that the service is located outside the county."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "129A" and insert "256E"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2664, A bill for an act relating to agriculture; appropriating money for bluegrass seed and turf production.

Reported the same back with the following amendments:

Page 1, line 11, after "bluegrass" insert "seed"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 2703, A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2727, A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

S. F. No. 1622, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

Reported the same back with the following amendments:

Page 2, after line 5, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5, is amended to read:

Subd. 5. [EFFECT OF MEDIATION PROCEEDING NOTICE.] (a) Except as provided in paragraphs (b), (c), and (d), if a creditor receives a mediation proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the farmer-lender mediation act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until 90 days after the date the debtor files a mediation request with the director.

(b) Except as provided in paragraph (c), if a creditor is an agency of the United States and receives a mediation proceeding notice under subdivision 4, the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until ~~180~~ 90 days after the date the debtor files a mediation request with the director.

(c) Notwithstanding paragraphs (a) and (b) or subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27; or

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days.

(d) A creditor receiving a mediation proceeding notice must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a list of all collateral securing debts, a creditor's estimate of the value of the collateral, and debt restructuring programs available by the creditor.

(e) The provisions of this subdivision are subject to section 583.27, relating to extension or reduction in the period before a creditor may begin to enforce a debt and court-supervised mediation."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period insert “; Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1849, 1857, 1862, 1872, 1921, 1938, 1939, 1991, 2019, 2078, 2088, 2159, 2172, 2252, 2295, 2317, 2360, 2415, 2477, 2490, 2554, 2620, 2703 and 2727 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1958 and 1622 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Riveness, Himle and Blatz introduced:

H. F. No. 2746, A bill for an act relating to authorities; permitting a waiver of contractor's payment and performance bond on certain parking facilities; making chapter 514 applicable if waiver is permitted; amending Minnesota Statutes 1987 Supplement, sections 469.015, subdivision 4; and 469.068, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Economic Development and Housing.

Milbert introduced:

H. F. No. 2747, A bill for an act relating to game and fish; regulating shooting preserves; amending Minnesota Statutes 1986, sections 97A.115, subdivisions 1 and 3; and 97A.121, subdivisions 1, 2, 4, 6, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 97A.121, subdivision 5.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Wenzel introduced:

H. F. No. 2748, A bill for an act relating to waters; prohibiting certain ice blocks upon the surface of frozen waters; proposing coding for new law in Minnesota Statutes, chapter 97C.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Tompkins and Brown introduced:

H. F. No. 2749, A bill for an act relating to capital improvements; providing funds for improvements at the Minnesota zoological garden; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

Rodosovich and Vanasek introduced:

H. F. No. 2750, A bill for an act relating to taxation; property; providing that referendum levies are included in a school district's levy limit for purposes of determining the district's homestead credit replacement aid; amending Minnesota Statutes 1987 Supplement, section 273.1394.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel, Cooper, Bauerly, Bertram and Sparby introduced:

H. F. No. 2751, A bill for an act relating to taxation; sales and use; changing the definition of capital equipment; exempting capital equipment and special tooling; amending Minnesota Statutes 1986, sections 297A.01, subdivision 16; 297A.02, subdivision 2; 297A.15, subdivision 5; and 297A.25, by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 297A.257, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Dorn; Johnson, R.; Pelowski and DeBlieck introduced:

H. F. No. 2752, A bill for an act relating to taxation; sales; providing that purchases made from the student activity fees of the student organizations of the state university system, the community

colleges, the University of Minnesota, and the area vocational technical institutes are exempt; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Rukavina, Jaros, Lieder, Brown and DeRaad introduced:

H. F. No. 2753, A bill for an act relating to state lands; changing how the proceeds of sales of state salt lands should be applied; amending Minnesota Statutes 1986, section 92.05.

The bill was read for the first time and referred to the Committee on Higher Education.

Wenzel, Omann and Bertram introduced:

H. F. No. 2754, 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 Environment and Natural Resources.

Wagenius introduced:

H. F. No. 2755, A bill for an act relating to probate; providing for payment to certain persons for benefit of incapacitated persons; proposing coding for new law in Minnesota Statutes, chapter 525.

The bill was read for the first time and referred to the Committee on Judiciary.

Rice, Munger, Sarna, Beard and O'Connor introduced:

H. F. No. 2756, A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

Cooper and McDonald introduced:

H. F. No. 2757, A bill for an act relating to agriculture; repealing Laws 1984, chapter 509, section 2.

The bill was read for the first time and referred to the Committee on Agriculture.

Kostohryz, Reding and McDonald introduced:

H. F. No. 2758, A bill for an act relating to education; requiring time for the patriotic observance of Memorial Day in the schools; amending Minnesota Statutes 1986, section 126.13.

The bill was read for the first time and referred to the Committee on Education.

Osthoff introduced:

H. F. No. 2759, A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles owned by nonpublic schools used in driver education programs; amending Minnesota Statutes 1987 Supplement, section 168.012, subdivision 1.

The bill was read for the first time and referred to the Committee on Transportation.

Begich, Rukavina, Minne and Battaglia introduced:

H. F. No. 2760, A bill for an act relating to taxation; authorizing the allocation of additional tax reductions for an enterprise zone; amending Minnesota Statutes 1987 Supplement, section 469.169, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

CONSENT CALENDAR

H. F. No. 2246 was reported to the House.

Clark moved to amend H. F. No. 2246, as follows:

Page 1, line 10, to page 2, line 5, delete sections 1 and 2 from the bill

Renumber the sections accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2246, A bill for an act relating to economic development; extending various development programs to nonprofit organizations.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Shaver
Bauerly	Gruenes	Lieder	Otis	Simoneau
Beard	Gutknecht	Long	Ozment	Skoglund
Begich	Hartle	Marsh	Pappas	Solberg
Bennett	Haukoos	McDonald	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Bishop	Hugoson	McKasy	Peterson	Steensma
Blatz	Jacobs	McLaughlin	Poppenhagen	Sviggum
Boo	Jaros	McPherson	Price	Swenson
Brown	Jefferson	Milbert	Quinn	Thiede
Burger	Jennings	Miller	Quist	Tjornhom
Carlson, D.	Jensen	Minne	Redalen	Tompkins
Carlson, L.	Johnson, A.	Morrison	Reding	Trimble
Carruthers	Johnson, R.	Munger	Rest	Tunheim
Clark	Johnson, V.	Murphy	Rice	Uphus
Clausnitzer	Kahn	Nelson, C.	Richter	Valento
Cooper	Kalis	Nelson, D.	Riveness	Vellenga
Dauner	Kelly	Nelson, K.	Rodosovich	Voss
Dawkins	Kelso	O'Connor	Rose	Wagenius
DeBlieck	Kinkel	Ogren	Rukavina	Waltman
Dempsey	Kludt	Olsen, S.	Sarna	Welle
DeRaad	Knickerbocker	Olsen, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
Forsythe	Krueger	Onnen	Seaberg	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1534 was reported to the House.

Welle moved to amend H. F. No. 1534, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 154.05, is amended to read:

154.05 [WHO MAY RECEIVE CERTIFICATES.]

A person is qualified to receive a certificate of registration to practice barbering:

- (1) Who is qualified under the provisions of section 154.06;
- (2) Who is at least 18 years of age;
- (3) Who is of good moral character and temperate habits and free from any contagious or infectious disease; and
- (4) Who has practiced as a registered apprentice for a period of 15 12 months under the immediate personal supervision of a registered barber; and
- (5) Who has passed a satisfactory examination conducted by the board of barber examiners to determine fitness to practice barbering.

An applicant for a certificate of registration to practice as a registered barber who fails to pass a satisfactory examination conducted by the board must continue to practice as an apprentice for an additional ~~six~~ two months before being again entitled to take the examination for a registered barber.

Sec. 2: Minnesota Statutes 1986, section 154.07, is amended to read:

154.07 [QUALIFICATION OF STUDENTS IN BARBER SCHOOLS; REQUIREMENTS.]

Subdivision 1. [ADMISSION REQUIREMENTS; COURSE OF INSTRUCTION.] No school of barbering shall be approved by the board of barber examiners unless it requires, as a prerequisite to admission thereto, ten grades of an approved school or its equivalent, as determined by an examination conducted by the state board of education, which shall issue a certificate that the student has passed the required examination, and unless it requires, as a prerequisite to graduation, a course of instruction of not less than 1,500 hours, to be completed within 15 months, of not more than eight hours in any one working day; such course of instruction to include the following subjects: scientific fundamentals for barbering, hygiene, practical study of the hair, skin, muscles, and nerves, structure of the head, face, and neck, elementary chemistry relating to sterilization and antiseptics; diseases of the skin, hair, glands; massaging and manipulating the muscles of the face and neck,

haircutting, shaving, and trimming the beard; bleaching, tinting and dyeing the hair, and the chemical straightening of the hair of males.

Subd. 2. [ADDING SCHOOLS.] In considering the establishment of additional schools in the state, the board of barber examiners shall consider the following:

- (a) (1) the total needs for barbers throughout the state;
- (b) (2) the number who are being graduated from the barber schools and available for employment throughout the state;
- (c) (3) the ability of the community to support the proposed school to insure adequate practice for its students; and
- (d) (4) the economic effect of the proposed barber school on the local barber shops in the local community.

The state board of barber examiners shall conduct a hearing for each proposed additional school and notify the Minnesota state department of jobs and training of each such hearing.

Subd. 3. [COSTS; NUMBER OF INSTRUCTORS; HOURS.] It shall be permissible for barber schools and barber colleges teaching the occupation of barbering to make a reasonable charge for materials used and services rendered by students for work done in such schools or colleges by students and there shall be one instructor to every 15 17 students or minor fraction in excess thereof. Barber colleges and schools shall open at 8:00 a.m. and close at 5:00 p.m.

Subd. 4. [BUILDING REQUIREMENTS.] Each barber school or college shall be conducted and operated in one building, or in connecting buildings, and no barber school or college shall have any department or branch in a building completely separated or removed from the remainder of the barber school or college.

Subd. 5. [OWNER'S REQUIREMENTS.] Any person may own and operate a barber college school who has had ten six years' continuous experience as a barber, provided such person shall first secure from the board an annual permit to do so, keep the same prominently displayed, and before commencing business, file with the secretary of state a bond to the state approved by the attorney general in the sum of \$1,000, conditioned upon the faithful compliance of the barber school with all the provisions herein, and to pay all judgments that may be obtained against the school, or the owners thereof, on account of fraud, misrepresentation, or deceit practiced by them or their agents; provided, that all barber schools or colleges shall keep prominently displayed a substantial sign as barber school or college. All barber schools upon receiving students shall imme-

diately apply to the board for student permits upon blanks for that purpose furnished by the board.

Subd. 6. [OPERATION BY AVTI OR STATE INSTITUTION.] A public area vocational technical school or a state institution may operate a barber school provided it has in its employment a qualified instructor holding a current certificate of registration as a barber instructor and provided that it shall secure from the board of barber examiners an annual permit without payment of fees prescribed by this chapter to do so and shall do so in accordance with the provisions of this chapter and the rules of the board of barber examiners for barber schools but without the requirement to file a performance bond with the secretary of state.

Sec. 3. Minnesota Statutes 1986, section 154.09, is amended to read:

154.09 [EXAMINATIONS, CONDUCT AND SCOPE.]

The board of barber examiners shall conduct examinations of applicants for certificates of registration to practice as registered barbers and registered apprentices not more than ~~four~~ six times each year, at such time and place as the board may determine. An affidavit shall be filed with the board by the proprietor of a barber ~~college or barber school~~ that the student has completed 1,500 hours in a duly approved barber school ~~or barber college~~ in the state.

The examination of applicants for certificates of registration as registered barbers and registered apprentices shall include both a practical demonstration and a written and oral test and embrace the subjects usually taught in schools of barbering approved by the board. The examination for registered apprentices must also include a practical demonstration.

Sec. 4. Minnesota Statutes 1986, section 154.18, is amended to read:

154.18 [FEES.]

The fees collected, as required in this chapter, chapter 214, and the rules of the board of barber examiners, shall be paid in advance to the secretary of the board of barber examiners. The secretary shall deposit the fees in the state treasury, to be disbursed by the secretary on the order of the chair in payment of expenses lawfully incurred by the board.

The fees to be paid the board of barber examiners required by this chapter, as amended, are:

- (1) for examining applicant and issuing certificate of registration as a registered barber, \$30;
- (2) for renewing certificate of registration as a registered barber, \$10;
- (3) for restoring certificate of registration as a registered barber within one year of expiration, \$15; provided, however, no such restoration fee is required of barbers age 70 or over;
- (4) for examining applicant and issuing a certificate of registration as a registered apprentice, \$17;
- (5) for renewing a certificate of registration as a registered apprentice, \$7;
- (6) for restoring a certificate of registration as a registered apprentice, within one year of expiration, \$10;
- (7) for examining applicant for a teacher's certificate, \$25;
- (8) for issuing a certificate of registration as a registered teacher, \$25;
- (9) for renewing a certificate of registration as a registered teacher, \$25;
- (10) for restoring a certificate of shop registration within 30 days after expiration date, \$10; provided, however, no such restoration fee is required of those age 70 or over and who operates a barbershop as part of the barber's residence;
- (11) for issuing a certificate of registration as an approved barber school, \$100;
- (12) for renewing a certificate of registration as an approved barber school, \$100;
- (13) for issuing a student permit, \$5.

The fees prescribed above for the renewal of certificates of registration as a registered barber and registered apprentice include the assessment made for the Unfair Trade Practice Act and shall be effective for the renewal of the 1968 licenses.

The fee to be paid for issuing an initial certificate of shop registration shall be \$25 and for renewing a certificate of shop registration of a shop within a community on or before June 30 of each year, \$5.

Every barber shop in business on May 20, 1967 shall have the right to continue until June 30, 1967, without the payment of any fees or any other act and shall thereafter apply for renewal of a certificate of shop registration in accordance with the provisions of this chapter, as amended."

The motion prevailed and the amendment was adopted.

H. F. No. 1534, A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Larsen	Orenstein	Segal
Bauerly	Gruenes	Lasley	Osthoff	Shaver
Beard	Gutknecht	Lieder	Otis	Simoneau
Begich	Hartle	Long	Ozment	Skoglund
Bennett	Haukoos	Marsh	Pappas	Solberg
Bertram	Heap	McDonald	Pauly	Sparby
Bishop	Himle	McEachern	Pelowski	Stanius
Blatz	Hugoson	McKasy	Peterson	Steensma
Boo	Jacobs	McLaughlin	Poppenhagen	Sviggun
Brown	Jaros	McPherson	Price	Swenson
Burger	Jefferson	Milbert	Quinn	Thiede
Carlson, D.	Jennings	Miller	Quist	Tjornhom
Carlson, L.	Jensen	Minne	Redalen	Tompkins
Carruthers	Johnson, A.	Morrison	Reding	Trimble
Clark	Johnson, R.	Munger	Rest	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rice	Uphus
Cooper	Kahn	Nelson, C.	Richter	Valento
Dauner	Kalis	Nelson, D.	Riveness	Vellenga
Dawkins	Kelly	Nelson, K.	Rodosovich	Voss
DeBlieck	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olsen, S.	Sarna	Welle
Dille	Knickerbocker	Olson, E.	Schafer	Wenzel
Dorn	Knuth	Olson, K.	Scheid	Winter
Forsythe	Kostohryz	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1860 was reported to the House.

Sarna moved that H. F. No. 1860 be returned to General Orders. The motion prevailed.

H. F. No. 2120, A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Osthoff	Simoneau
Battaglia	Gruenes	Lasley	Otis	Skoglund
Bauerly	Gutknecht	Lieder	Ozment	Solberg
Beard	Hartle	Marsh	Pappas	Sparby
Begich	Haukoos	McDonald	Pauly	Stanius
Bennett	Heap	McEachern	Pelowski	Steensma
Bertram	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Reding	Trimble
Carlson, L.	Jensen	Morrison	Rest	Tunheim
Carruthers	Johnson, A.	Munger	Rice	Uphus
Clark	Johnson, R.	Murphy	Richter	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Vellenga
Cooper	Kahn	Nelson, D.	Rodosovich	Voss
Dauner	Kalis	Nelson, K.	Rose	Wagenius
Dawkins	Kelly	O'Connor	Rukavina	Waltman
DeBlieck	Kelso	Ogren	Sarna	Welle
Dempsey	Kinkel	Olsen, S.	Schafer	Wenzel
DeRaad	Kludt	Olson, E.	Scheid	Winter
Dille	Knickerbocker	Olson, K.	Schreiber	Wynia
Dorn	Knuth	Omann	Seaberg	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Segal	
Frerichs	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2331, A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

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.	Bauerly	Begich	Bertram	Boo
Battaglia	Beard	Bennett	Blatz	Brown

Burger	Jacobs	McLaughlin	Pelowski	Solberg
Carlson, D.	Jaros	McPherson	Peterson	Sparby
Carlson, L.	Jefferson	Milbert	Poppenhagen	Stanius
Carruthers	Jennings	Miller	Price	Steensma
Clark	Jensen	Minne	Quinn	Sviggun
Clausnitzer	Johnson, A.	Morrison	Quist	Swenson
Cooper	Johnson, R.	Munger	Redalen	Thiede
Dauner	Johnson, V.	Murphy	Reding	Tjornhom
Dawkins	Kalis	Nelson, C.	Rest	Tompkins
DeBlieck	Kelly	Nelson, D.	Rice	Trimble
Dempsey	Kelso	Nelson, K.	Richter	Tunheim
DeRaad	Kinkel	O'Connor	Riveness	Uphus
Dille	Kludt	Ogren	Rodosovich	Valento
Dorn	Knickerbocker	Olsen, S.	Rose	Vellenga
Forsythe	Knuth	Olson, E.	Rukavina	Voss
Frerichs	Kostohryz	Olson, K.	Sarna	Wagenius
Greenfield	Krueger	Omann	Schafer	Waltman
Gruenes	Larsen	Onnen	Scheid	Welle
Gutknecht	Lasley	Orenstein	Schreiber	Wenzel
Hartle	Lieder	Osthoff	Seaberg	Winter
Haukoos	Marsh	Otis	Segal	Wynia
Heap	McDonald	Ozment	Shaver	Spk. Vanasek
Himle	McEachern	Pappas	Simoneau	
Hugoson	McKasy	Pauly	Skoglund	

The bill was passed and its title agreed to.

The Speaker called Long to the Chair.

H. F. No. 2558, A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Jaros	Lasley	Neuenschwander
Battaglia	Dawkins	Jefferson	Lieder	O'Connor
Bauerly	DeBlieck	Jennings	Long	Ogren
Beard	Dempsey	Jensen	Marsh	Olsen, S.
Begich	DeRaad	Johnson, A.	McDonald	Olson, E.
Bennett	Dille	Johnson, R.	McEachern	Olson, K.
Bertram	Dorn	Johnson, V.	McKasy	Omann
Bishop	Forsythe	Kahn	McLaughlin	Onnen
Blatz	Frerichs	Kalis	McPherson	Orenstein
Boo	Greenfield	Kelly	Milbert	Osthoff
Brown	Gruenes	Kelso	Miller	Otis
Burger	Gutknecht	Kinkel	Minne	Ozment
Carlson, D.	Hartle	Kludt	Morrison	Pappas
Carlson, L.	Haukoos	Knickerbocker	Munger	Pauly
Carruthers	Heap	Knuth	Murphy	Pelowski
Clark	Himle	Kostohryz	Nelson, C.	Peterson
Clausnitzer	Hugoson	Krueger	Nelson, D.	Poppenhagen
Cooper	Jacobs	Larsen	Nelson, K.	Price

Quinn	Rose	Simoneau	Tjornhom	Waltman
Quist	Rukavina	Skoglund	Tompkins	Welle
Redalen	Sarna	Solberg	Trimble	Wenzel
Reding	Schafer	Sparby	Tunheim	Winter
Rest	Scheid	Stanius	Uphus	Wynia
Rice	Schreiber	Steensma	Valento	Spk. Vanasek
Richter	Seaberg	Sviggum	Vellenga	
Riveness	Segal	Swenson	Voss	
Rodosovich	Shaver	Thiede	Wagenius	

The bill was passed and its title agreed to.

H. F. No. 2559, A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Omann	Schreiber
Battaglia	Greenfield	Larsen	Onnen	Seaberg
Bauerly	Gruenes	Lasley	Orenstein	Segal
Beard	Gutknecht	Lieder	Osthoff	Shaver
Begich	Hartle	Long	Otis	Simoneau
Bennett	Haukoos	Marsh	Ozment	Skoglund
Bertram	Heap	McDonald	Pappas	Solberg
Bishop	Himle	McEachern	Pauly	Sparby
Blatz	Hugoson	McKasy	Pelowski	Stanius
Boo	Jacobs	McLaughlin	Peterson	Steensma
Brown	Jaros	McPherson	Poppenhagen	Sviggum
Burger	Jefferson	Milbert	Price	Swenson
Carlson, D.	Jennings	Miller	Quinn	Thiede
Carlson, L.	Jensen	Minne	Quist	Tjornhom
Carruthers	Johnson, A.	Morrison	Redalen	Tompkins
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlicck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
DeRaad	Kludt	Ogren	Rukavina	Welle
Dille	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dorn	Knuth	Olson, E.	Schafer	Winter
Forsythe	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2615, A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

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.	Frerichs	Krueger	Omann	Seaberg
Battaglia	Greenfield	Larsen	Onnen	Shaver
Bauerly	Gruenes	Lasley	Orenstein	Skoglund
Beard	Gutknecht	Lieder	Osthoff	Solberg
Begich	Hartle	Long	Otis	Sparby
Bennett	Haukoos	Marsh	Ozment	Stanius
Bertram	Heap	McDonald	Pauly	Steensma
Bishop	Himle	McEachern	Pelowski	Sviggum
Blatz	Hugoson	McKasy	Peterson	Swenson
Boo	Jacobs	McLaughlin	Poppenhagen	Thiede
Brown	Jaros	McPherson	Price	Tjornhom
Burger	Jefferson	Milbert	Quinn	Tompkins
Carlson, D.	Jennings	Miller	Quist	Trimble
Carlson, L.	Jensen	Minne	Redalen	Tunheim
Carruthers	Johnson, A.	Morrison	Reding	Uphus
Clark	Johnson, R.	Munger	Rest	Valento
Clausnitzer	Johnson, V.	Murphy	Rice	Vellenga
Cooper	Kahn	Nelson, C.	Richter	Voss
Dauner	Kalis	Nelson, D.	Riveness	Wagenius
Dawkins	Kelly	Nelson, K.	Rodosovich	Waltman
DeBlieck	Kelso	Neuenschwander	Rose	Welle
Dempsey	Kinkel	O'Connor	Rukavina	Wenzel
DeRaad	Kludt	Ogren	Sarna	Winter
Dille	Knickerbocker	Olsen, S.	Schafer	Wynia
Dorn	Knuth	Olson, E.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Olson, K.	Schreiber	

The bill was passed and its title agreed to.

MOTION FOR RECONSIDERATION

Johnson, R., moved that the vote whereby H. F. No. 1755 was not passed on Monday, March 14, 1988, be now reconsidered. The motion did not prevail.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, Wednesday, March 16, 1988:

H. F. Nos. 1678, 2029, 1656, 718, 1950, 1966, 2018, 2025, 2036, 2063, 2092, 2340, 258, 1486, 1795 and 1818; S. F. No. 1772; H. F. Nos.

1877, 1914 and 1980; S. F. No. 1711; and H.F. Nos. 1995, 2372, 1779 and 2038.

SPECIAL ORDERS

H. F. No. 1678 was reported to the House.

Johnson, A., moved to amend H. F. No. 1678, the first engrossment, as follows:

Page 3, line 8, before the period insert "unless the prospective buyer waives, in writing, the buyer's right to the written disclosure"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Frerichs moved to amend H. F. No. 1678, the first engrossment, as amended, as follows:

Page 12, line 3, delete "double"

The motion did not prevail and the amendment was not adopted.

Frerichs moved to amend H. F. No. 1678, the first engrossment, as amended, as follows:

Page 12, line 8, delete "three" and insert "two"

The motion prevailed and the amendment was adopted.

Johnson, A., moved that H. F. No. 1678, as amended, be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2029, A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdi-

visions 1, 3, and 6; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

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.	Dille	Johnson, V.	McPherson	Otis
Battaglia	Dorn	Kahn	Milbert	Ozment
Bauerly	Forsythe	Kalis	Miller	Pappas
Beard	Frederick	Kelly	Minne	Pauly
Begich	Frerichs	Kelso	Morrison	Pelowski
Bennett	Greenfield	Kinkel	Munger	Peterson
Bertram	Gruenes	Kludt	Murphy	Poppenhagen
Blatz	Gutknecht	Knickerbocker	Nelson, C.	Price
Boo	Hartle	Knuth	Nelson, D.	Quinn
Brown	Haukoos	Kostohryz	Nelson, K.	Quist
Burger	Heap	Krueger	Neuenschwander	Redalen
Carlson, D.	Himle	Larsen	O'Connor	Reding
Carlson, L.	Hugoson	Lasley	Ogren	Rest
Carruthers	Jacobs	Lieder	Olsen, S.	Rice
Clark	Jaros	Long	Olson, E.	Richter
Clausnitzer	Jefferson	Marsh	Olson, K.	Riveness
Cooper	Jennings	McDonald	Omann	Rodosovich
Dauner	Jensen	McEachern	Onnen	Rose
DeBleeck	Johnson, A.	McKasy	Orenstein	Rukavina
DeRaad	Johnson, R.	McLaughlin	Osthoff	Sarna

Schafer	Skoglund	Swenson	Uphus	Welle
Scheid	Solberg	Thiede	Valento	Wenzel
Schreiber	Sparby	Tjornhom	Vellenga	Winter
Seaberg	Stanis	Tompkins	Voss	Wynia
Segal	Steensma	Trimble	Wagenius	Spk. Vanasek
Shaver	Sviggum	Tunheim	Waltman	

The bill was passed and its title agreed to.

The Speaker called Rice to the Chair.

H. F. No. 1656 was reported to the House.

Segal moved to amend H. F. No. 1656, the first engrossment, as follows:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1986, section 169.871, subdivision 3, is amended to read:

Subd. 3. [APPEARANCES.] Notwithstanding the provisions of section 8.01, county or city attorneys may appear for the ~~commissioner of public safety~~ in civil actions commenced under this section at the request of the attorney general.”

Page 1, line 19, strike “In all cases” and insert “Except as provided in paragraph (d).”

Page 1, line 22, delete the first “a” and insert “Hennepin” and delete everything after “county”

Page 1, line 23, delete everything before the comma

Page 2, line 4, delete “Section 1 is” and insert “Sections 1 and 2 are”

Renumber the sections in order

Amend the title as follows:

Page 1, line 2, after “regulations;” insert “permitting county and city attorneys to provide certain services;”

Page 1, line 5, delete “subdivision” and insert “subdivisions 3 and”

The motion prevailed and the amendment was adopted.

H. F. No. 1656, A bill for an act relating to traffic regulations; permitting county and city attorneys to provide certain services; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivisions 3 and 5.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Osthoff	Shaver
Battaglia	Greenfield	Larsen	Otis	Simoneau
Bauerly	Gruenes	Lasley	Ozment	Skoglund
Beard	Gutknecht	Lieder	Pappas	Solberg
Begich	Hartle	Long	Pauly	Sparby
Bennett	Haukoos	Marsh	Pelowski	Stanius
Bertram	Heap	McEachern	Peterson	Steensma
Blatz	Himle	McKasy	Poppenhagen	Sviggum
Boo	Hugoson	McLaughlin	Price	Swenson
Brown	Jacobs	McPherson	Quinn	Thiede
Burger	Jaros	Milbert	Quist	Tjornhom
Carlson, D.	Jefferson	Miller	Redalen	Trimble
Carlson, L.	Jennings	Minne	Reding	Tunheim
Carruthers	Jensen	Morrison	Rest	Uphus
Clark	Johnson, A.	Munger	Rice	Valento
Clausnitzer	Johnson, R.	Murphy	Richter	Vellenga
Cooper	Johnson, V.	Nelson, C.	Riveness	Voss
Dauner	Kahn	Nelson, D.	Rodosovich	Wagenius
Dawkins	Kalis	Nelson, K.	Rose	Waltman
DeBlick	Kelly	Neuenschwander	Rukavina	Welle
Dempsey	Kelso	O'Connor	Sarna	Wenzel
DeRaad	Kinkel	Ogren	Schafer	Winter
Dille	Kludt	Olson, E.	Scheid	Wynia
Dorn	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Knuth	Omann	Seaberg	
Frederick	Kostohryz	Orenstein	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 718 was reported to the House.

Solberg and Heap moved to amend H. F. No. 718, as follows:

Page 2, after line 23, insert:

"Sec. 3. [465.772] [ACCOUNTING FOR RETIREES' HEALTH INSURANCE BENEFITS.] A unit of local government that agrees to make payments for health insurance benefits for retired employees shall account for the costs associated with providing these payments as required in this section. The local government shall establish an account known as "the appropriated account for the payment of retired employees' health insurance benefits." An

amount shall be recorded and maintained in this account equal to the estimated cost of providing health insurance benefits in the second ensuing fiscal year.

Sec. 4. [EFFECTIVE DATE.]

Section 3 applies to agreements made after the effective date of this section."

Amend the title as follows:

Page 1, line 6, after "2" insert "; proposing coding for new law in Minnesota Statutes, chapter 465"

The motion prevailed and the amendment was adopted.

H. F. No. 718, A bill for an act relating to public employees; defining terms and conditions of public employment; allowing expanded payment of certain accumulated sick leave; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; and 465.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 465.

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.	Forsythe	Kostohryz	Olson, E.	Sarna
Battaglia	Frederick	Krueger	Olson, K.	Schafer
Bauerly	Greenfield	Larsen	Omann	Scheid
Beard	Gruenes	Lasley	Onnen	Schreiber
Begich	Gutknecht	Lieder	Orenstein	Seaberg
Bennett	Hartle	Long	Osthoff	Segal
Bertram	Haukoos	Marsh	Otis	Shaver
Blatz	Himle	McDonald	Ozment	Simoneau
Boo	Hugoson	McEachern	Pauly	Skoglund
Brown	Jacobs	McKasy	Pelowski	Solberg
Burger	Jaros	McPherson	Peterson	Sparby
Carlson, D.	Jefferson	Milbert	Poppenhagen	Stanius
Carlson, L.	Jennings	Miller	Price	Steensma
Carruthers	Jensen	Minne	Quinn	Sviggum
Clark	Johnson, R.	Morrison	Quist	Swenson
Clausnitzer	Johnson, V.	Munger	Redalen	Thiede
Cooper	Kahn	Murphy	Reding	Tjornhom
Dauner	Kalis	Nelson, C.	Rest	Tompkins
Dawkins	Kelly	Nelson, D.	Rice	Trimble
DeBlieck	Kelso	Nelson, K.	Richter	Tunheim
Dempsey	Kinkel	Neuenschwander	Riveness	Uphus
DeRaad	Kludt	O'Connor	Rodosovich	Valento
Dille	Knickerbocker	Ogren	Rose	Vellenga
Dorn	Knuth	Olsen, S.	Rukavina	Voss

Wagenius
Waltman

Welle
Wenzel

Winter
Wynia

Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1950, A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, sections 112.43, subdivision 1; and 112.65, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Larsen	Orenstein	Seaberg
Bauerly	Gruenes	Lasley	Osthoff	Segal
Beard	Gutknecht	Lieder	Otis	Shaver
Begich	Hartle	Long	Ozment	Simoneau
Bennett	Haukoos	Marsh	Pappas	Skoglund
Bertram	Heap	McDonald	Pauly	Solberg
Blatz	Himle	McEachern	Pelowski	Sparby
Boo	Hugoson	McKasy	Peterson	Stanius
Brown	Jacobs	McPherson	Poppenhagen	Steenma
Burger	Jaros	Milbert	Price	Sviggum
Carlson, D.	Jefferson	Miller	Quinn	Swenson
Carlson, L.	Jennings	Minne	Quist	Thiede
Carruthers	Jensen	Morrison	Redalen	Tjornhom
Clark	Johnson, R.	Munger	Reding	Tompkins
Clausnitzer	Johnson, V.	Murphy	Rest	Trimble
Cooper	Kahn	Nelson, C.	Rice	Tunheim
Dauner	Kalis	Nelson, D.	Richter	Uphus
Dawkins	Kelly	Nelson, K.	Riveness	Valento
DeBlicek	Kelso	O'Connor	Rodosovich	Voss
Dempsey	Kinkel	Ogren	Rose	Wagenius
DeRaad	Kludt	Olsen, S.	Rukavina	Waltman
Dille	Knickerbocker	Olson, E.	Sarna	Welle
Dorn	Knuth	Olson, K.	Schafer	Wenzel
Forsythe	Kostohryz	Omann	Scheid	Winter
Frederick	Krueger	Onnen	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1966, A bill for an act relating to zoning; providing for filing requirements of variances and certain official maps to real property; amending Minnesota Statutes 1986, section 462.36, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Shaver
Bauerly	Gutknecht	Lieder	Otis	Simoneau
Beard	Hartle	Long	Ozment	Skoglund
Begich	Haukoos	Marsh	Pappas	Solberg
Bennett	Heap	McDonald	Pauly	Sparby
Bertram	Himle	McEachern	Pelowski	Stanius
Blatz	Hugoson	McKasy	Peterson	Steensma
Boo	Jacobs	McPherson	Poppenhagen	Sviggum
Brown	Jaros	Milbert	Price	Swenson
Burger	Jefferson	Miller	Quinn	Thiede
Carlson, D.	Jennings	Minne	Quist	Tjornhom
Carlson, L.	Jensen	Morrison	Redalen	Tompkins
Carruthers	Johnson, A.	Munger	Reding	Trimble
Clark	Johnson, R.	Murphy	Rest	Tunheim
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Uphus
Cooper	Kahn	Nelson, D.	Richter	Valento
Dauner	Kalis	Nelson, K.	Riveness	Vellenga
Dawkins	Kelly	Neuenschwander	Rodosovich	Voss
DeBlieck	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olsen, S.	Sarna	Welle
Dille	Knickerbocker	Olson, E.	Schafer	Wenzel
Dorn	Knuth	Olson, K.	Scheid	Winter
Forsythe	Kostohryz	Omann	Schreiber	Wynia
Frederick	Krueger	Onnen	Seaberg	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2018 was reported to the House.

Sparby moved to amend H. F. No. 2018, the first engrossment, as follows:

Page 1, delete lines 18 to 30

Page 2, delete lines 1 to 7

ReNUMBER subsequent sections accordingly

Correct internal cross references

Page 10, line 33, after the first semicolon insert "35.15, subdivision 2;"

Amend the title as follows:

Page 1, line 14, after the first semicolon insert "35.15, subdivision 2;"

The motion prevailed and the amendment was adopted.

Hugoson and Dille moved to amend H. F. No. 2018, the first engrossment, as amended, as follows:

Page 4, line 8, strike "Each"

Page 4, strike line 9

Page 9, line 4, delete "per violation"

Amend the title as follows:

Page 1, line 10, delete "35.15, subdivision 2;"

The motion prevailed and the amendment was adopted.

H. F. No. 2018, A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.15, subdivision 2; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Frederick	Jennings	Knuth
Battaglia	Clark	Frerichs	Jensen	Kostohryz
Bauerly	Clausnitzer	Greenfield	Johnson, A.	Krueger
Beard	Cooper	Gruenes	Johnson, R.	Larsen
Begich	Dauner	Gutknecht	Johnson, V.	Lasley
Bennett	Dawkins	Hartle	Kahn	Lieder
Bertram	DeBlieck	Heap	Kalis	Long
Boo	Dempsey	Himle	Kelly	Marsh
Brown	DeRaad	Hugoson	Kelso	McDonald
Burger	Dille	Jacobs	Kinkel	McEachern
Carlson, D.	Dorn	Jaros	Kludt	McKasy
Carlson, L.	Forsythe	Jefferson	Knickerbocker	McLaughlin

McPherson	Olson, E.	Quist	Seaberg	Trimble
Milbert	Olson, K.	Redalen	Segal	Tunheim
Miller	Omann	Reding	Shaver	Uphus
Minne	Onnen	Rest	Simoneau	Valento
Morrison	Orenstein	Rice	Skoglund	Vellenga
Munger	Osthoff	Richter	Solberg	Voss
Murphy	Otis	Riveness	Sparby	Wagenius
Nelson, C.	Ozment	Rodosovich	Stanius	Waltman
Nelson, D.	Pauly	Rose	Steensma	Welle
Nelson, K.	Pelowski	Rukavina	Sviggum	Wenzel
Neuenschwander	Peterson	Sarna	Swenson	Winter
O'Connor	Poppenhagen	Schafer	Thiede	Wynia
Ogren	Price	Scheid	Tjornhom	
Olsen, S.	Quinn	Schreiber	Tompkins	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2025, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Lieder	Osthoff	Shaver
Battaglia	Gruenes	Long	Otis	Simoneau
Bauerly	Gutknecht	Marsh	Ozment	Skoglund
Beard	Hartle	McDonald	Pappas	Solberg
Begich	Heap	McEachern	Pauly	Sparby
Bennett	Himle	McKasy	Pelowski	Stanius
Bertram	Hugoson	McLaughlin	Peterson	Steensma
Boo	Jacobs	McPherson	Poppenhagen	Sviggum
Brown	Jaros	Milbert	Price	Swenson
Burger	Jefferson	Miller	Quinn	Thiede
Carlson, D.	Jennings	Minne	Quist	Tjornhom
Carlson, L.	Jensen	Morrison	Redalen	Tompkins
Carruthers	Johnson, R.	Munger	Reding	Trimble
Clark	Johnson, V.	Murphy	Rest	Tunheim
Clausnitzer	Kahn	Nelson, C.	Rice	Uphus
Cooper	Kalis	Nelson, D.	Richter	Valento
Dauner	Kelly	Nelson, K.	Riveness	Vellenga
Dawkins	Kelso	Neuenschwander	Rodosovich	Voss
DeBlick	Kinkel	O'Connor	Rose	Wagenius
Dempsey	Kludt	Ogren	Rukavina	Waltman
DeRaad	Knickerbocker	Olsen, S.	Sarna	Welle
Dille	Knuth	Olson, E.	Schafer	Wenzel
Dorn	Kostohryz	Olson, K.	Scheid	Winter
Forsythe	Krueger	Omann	Schreiber	Wynia
Frederick	Larsen	Onnen	Seaberg	
Frerichs	Lasley	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 2036, A bill for an act relating to crimes; prohibiting

possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Orenstein	Simoneau
Battaglia	Greenfield	Lasley	Osthoff	Skoglund
Bauerly	Gruenes	Lieder	Otis	Solberg
Beard	Gutknecht	Long	Ozment	Sparby
Begich	Hartle	Marsh	Pappas	Stantius
Bennett	Heap	McDonald	Pauly	Steensma
Bertram	Himle	McEachern	Pelowski	Sviggum
Boo	Hugoson	McKasy	Peterson	Swenson
Brown	Jacobs	McLaughlin	Popenhagen	Thiede
Burger	Jaros	McPherson	Price	Tjornhom
Carlson, D.	Jefferson	Milbert	Quinn	Tompkins
Carlson, L.	Jennings	Miller	Quist	Trimble
Carruthers	Jensen	Minne	Redalen	Tunheim
Clark	Johnson, R.	Morrison	Reding	Uphus
Clausnitzer	Johnson, V.	Munger	Rice	Valento
Cooper	Kahn	Murphy	Richter	Vellenga
Dauner	Kalis	Nelson, C.	Rodosovich	Wagenius
Dawkins	Kelly	Nelson, D.	Rose	Waltman
DeBlieck	Kelso	Nelson, K.	Rukavina	Welle
Dempsey	Kinkel	Neuenschwander	Schafer	Wenzel
DeRaad	Kludt	Ogren	Scheid	Winter
Dille	Knickerbocker	Olsen, S.	Schreiber	Wynia
Dorn	Knuth	Olson, E.	Seaberg	Spk. Vanasek
Forsythe	Kostohryz	Olson, K.	Segal	
Frederick	Krueger	Omann	Shaver	

Those who voted in the negative were:

Voss

The bill was passed and its title agreed to.

H. F. No. 2063, A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Lasley	Osthoff	Shaver
Battaglia	Greenfield	Lieder	Otis	Simoneau
Bauerly	Gruenes	Long	Ozment	Skoglund
Beard	Gutknecht	Marsh	Pappas	Solberg
Begich	Hartle	McDonald	Pauly	Sparby
Bennett	Heap	McEachern	Pelowski	Stanisus
Bertram	Hugoson	McKasy	Peterson	Steensma
Blatz	Jacobs	McLaughlin	Poppenhagen	Sviggum
Boo	Jaros	Milbert	Price	Swenson
Brown	Jefferson	Miller	Quinn	Thiede
Burger	Jennings	Minne	Quist	Tjornhom
Carlson, D.	Jensen	Morrison	Redalen	Tompkins
Carlson, L.	Johnson, A.	Munger	Reding	Trimble
Carruthers	Johnson, R.	Murphy	Rest	Tunheim
Clark	Johnson, V.	Nelson, C.	Rice	Uphus
Clausnitzer	Kahn	Nelson, D.	Richter	Valento
Cooper	Kalis	Nelson, K.	Riveness	Vellenga
Dauner	Kelly	Neuenschwander	Rodosovich	Voss
Dawkins	Kelso	O'Connor	Rose	Wagenius
DeBlieck	Kinkal	Ogren	Rukavina	Waltman
Dempsey	Kludt	Olsen, S.	Sarna	Welle
DeRaad	Knickerbocker	Olson, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
Forsythe	Krueger	Onnen	Seaberg	Spk. Vanasek
Frederick	Larsen	Orenstein	Segal	

The bill was passed and its title agreed to.

H. F. No. 2092, A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Hartle	Kelso	McLaughlin
Battaglia	Cooper	Haukoos	Kinkal	McPherson
Bauerly	Dauner	Heap	Kludt	Milbert
Beard	Dawkins	Hugoson	Knickerbocker	Miller
Begich	DeBlieck	Jacobs	Knuth	Minne
Bennett	Dempsey	Jaros	Kostohryz	Morrison
Bertram	DeRaad	Jefferson	Krueger	Munger
Blatz	Dille	Jennings	Larsen	Murphy
Boo	Dorn	Jensen	Lasley	Nelson, C.
Brown	Forsythe	Johnson, A.	Lieder	Nelson, D.
Burger	Frederick	Johnson, R.	Long	Nelson, K.
Carlson, D.	Frerichs	Johnson, V.	Marsh	Neuenschwander
Carlson, L.	Greenfield	Kahn	McDonald	O'Connor
Carruthers	Gruenes	Kalis	McEachern	Ogren
Clark	Gutknecht	Kelly	McKasy	Olsen, S.

Olson, E.	Poppenhagen	Rose	Solberg	Uphus
Olson, K.	Price	Rukavina	Sparby	Valento
Omann	Quinn	Sarna	Stanius	Vellenga
Orenstein	Quist	Schafer	Steensma	Voss
Osthoff	Redalen	Scheid	Sviggum	Wagenius
Otis	Reding	Schreiber	Swenson	Waltman
Ozment	Rest	Seaberg	Thiede	Welle
Pappas	Rice	Segal	Tjornhom	Wenzel
Pauly	Richter	Shaver	Tompkins	Winter
Pelowski	Riveness	Simoneau	Trimble	Wynia
Peterson	Rodosovich	Skoglund	Tunheim	Spk. Vanasek

The bill was passed and its title agreed to.

Seaberg, Rodosovich and Uphus were excused for the remainder of today's session.

H. F. No. 2340 was reported to the House.

Orenstein moved to amend H. F. No. 2340, the first engrossment, as follows:

Page 2, line 33, delete "1989" and insert "1990"

The motion prevailed and the amendment was adopted.

H. F. No. 2340, A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate preservice training for peace officers in recognizing, responding to, and reporting crimes of bias; requiring the board to make similar instructional materials available to peace officers for continuing education credit; proposing coding for new law in Minnesota Statutes, chapter 626.

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 99 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Gutknecht	Kelly	Marsh
Beard	Dauner	Hartle	Kinkel	McEachern
Bennett	Dawkins	Haukoos	Kludt	McKasy
Bertram	DeBlieck	Heap	Knickerbocker	McLaughlin
Bishop	Dempsey	Himle	Knuth	Minne
Blatz	DeRaad	Jaros	Kostohryz	Morrison
Boo	Dorn	Jefferson	Krueger	Munger
Brown	Forsythe	Jensen	Larsen	Murphy
Burger	Frerichs	Johnson, R.	Lasley	Nelson, C.
Carlson, L.	Greenfield	Kahn	Lieder	Nelson, D.
Clark	Gruenes	Kalis	Long	Nelson, K.

Neuenschwander	Otis	Rice	Simoneau	Valento
O'Connor	Pappas	Riveness	Skoglund	Vellenga
Ogren	Pauly	Rose	Solberg	Wagenius
Olsen, S.	Pelowski	Rukavina	Stanius	Welle
Olson, E.	Peterson	Sarna	Steensma	Wenzel
Olson, K.	Price	Scheid	Swenson	Winter
Omnn	Quist	Schreiber	Tjornhom	Wynia
Orenstein	Reding	Segal	Trimble	Spk. Vanasek
Osthoff	Rest	Shaver	Tunheim	

Those who voted in the negative were:

Carlson, D.	Johnson, V.	Onnen	Richter	Thiede
Clausnitzer	McDonald	Quinn	Schafer	Tompkins
Hugoson	McPherson	Redalen	Sviggum	

The bill was passed, as amended, and its title agreed to.

H. F. No. 258, A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1987 Supplement, section 352.93, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Olson, K.	Segal
Battaglia	Frederick	Larsen	Omnn	Shaver
Bauerly	Frerichs	Lasley	Onnen	Simoneau
Beard	Greenfield	Lieder	Orenstein	Skoglund
Begich	Gruenes	Long	Osthoff	Solberg
Bennett	Gutknecht	Marsh	Otis	Sparby
Bertram	Hartle	McDonald	Ozment	Stanius
Bishop	Haukoos	McEachern	Pappas	Steenma
Blatz	Heap	McKasy	Pauly	Sviggum
Boo	Hugoson	McLaughlin	Pelowski	Swenson
Brown	Jacobs	McPherson	Peterson	Thiede
Burger	Jaros	Milbert	Poppenhagen	Tjornhom
Carlson, D.	Jefferson	Miller	Price	Tompkins
Carlson, L.	Jennings	Minne	Quinn	Trimble
Carruthers	Jensen	Morrison	Quist	Tunheim
Clark	Johnson, R.	Munger	Redalen	Valento
Clausnitzer	Johnson, V.	Murphy	Reding	Vellenga
Cooper	Kahn	Nelson, C.	Rest	Voss
Dauner	Kelly	Nelson, D.	Rice	Wagenius
Dawkins	Kelso	Nelson, K.	Richter	Waltman
DeBlicck	Kinkel	Neuenschwander	Riveness	Welle
Dempsey	Kludt	O'Connor	Rose	Wenzel
DeRaad	Knickerbocker	Ogren	Sarna	Winter
Dille	Knuth	Olsen, S.	Schafer	Wynia
Dorn	Kostohryz	Olson, E.	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

Wenzel and Morrison were excused for the remainder of today's session.

The Speaker resumed the Chair.

H. F. No. 1486 was reported to the House.

Miller moved that H. F. No. 1486 be re-referred to the Committee on Transportation.

A roll call was requested and properly seconded.

The question was taken on the Miller motion and the roll was called. There were 36 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Blatz	Gutknecht	McDonald	Quist	Thiede
Boo	Haukoos	McKasy	Richter	Tjornhom
Clausnitzer	Heap	McPherson	Rose	Valento
Dempsey	Himle	Miller	Schafer	Waltman
DeRaad	Hugoson	Olsen, S.	Schreiber	
Dille	Johnson, V.	Onnen	Shaver	
Frederick	Knickerbocker	Pauly	Sviggum	
Frerichs	Marsh	Poppenhagen	Swenson	

Those who voted in the negative were:

Battaglia	Gruenes	Krueger	Olson, K.	Scheid
Bauerly	Hartle	Larsen	Omann	Segal
Beard	Jacobs	Lasley	Orenstein	Simoneau
Begich	Jaros	Lieder	Osthoff	Skoglund
Bennett	Jefferson	Long	Otis	Solberg
Bertram	Jennings	McEachern	Ozment	Sparby
Brown	Jensen	McLaughlin	Pappas	Stanius
Carlson, D.	Johnson, A.	Milbert	Pelowski	Steensma
Carlson, L.	Johnson, R.	Minne	Peterson	Trimble
Carruthers	Kahn	Munger	Price	Tunheim
Clark	Kalis	Murphy	Quinn	Vellenga
Cooper	Kelly	Nelson, C.	Reding	Voss
Dauner	Kelso	Nelson, D.	Rest	Wagenius
Dawkins	Kinkel	Nelson, K.	Rice	Welle
DeBlieck	Kludt	O'Connor	Riveness	Winter
Dorn	Knuth	Ogren	Rukavina	Wynia
Greenfield	Kostohryz	Olson, E.	Sarna	Spk. Vanasek

The motion did not prevail.

Thiede, Gruenes, Tjornhom and Stanius offered an amendment to H. F. No. 1486.

POINT OF ORDER

Wynia raised a point of order pursuant to rule 3.9 that the Thiede

et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers and governmental entities; proposing coding for new law in Minnesota Statutes, chapter 222.

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 18 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Klutt	Ogren	Rukavina
Battaglia	Dorn	Knuth	Olsen, S.	Sarna
Bauerly	Frederick	Kostohryz	Olsen, E.	Scheid
Beard	Greenfield	Krueger	Olson, K.	Segal
Begich	Gruenes	Larsen	Omann	Simoneau
Bennett	Gutknecht	Lasley	Orenstein	Skoglund
Bertram	Hartle	Lieder	Osthoff	Solberg
Blatz	Haukoos	Long	Otis	Sparby
Boo	Jacobs	Marsh	Ozment	Steensma
Brown	Jaros	McEachern	Pappas	Swenson
Carlson, D.	Jefferson	McKasy	Pelowski	Tjornhom
Carlson, L.	Jennings	McLaughlin	Peterson	Tompkins
Carruthers	Jensen	Milbert	Price	Trimble
Clark	Johnson, A.	Minne	Quinn	Tunheim
Clausnitzer	Johnson, R.	Murphy	Quist	Vellenga
Cooper	Johnson, V.	Nelson, C.	Reding	Voss
Dauner	Kahn	Nelson, D.	Rest	Wagenius
Dawkins	Kelly	Nelson, K.	Rice	Welle
DeBlieck	Kelso	Neuenschwander	Riveness	Winter
DeRaad	Kinkel	O'Connor	Rose	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Frerichs	Knickerbocker	Onnen	Shaver	Valento
Heap	McDonald	Richter	Stanius	Waltman
Himle	McPherson	Schafer	Sviggum	
Hugoson	Miller	Schreiber	Thiede	

The bill was passed and its title agreed to.

H. F. No. 1795 was reported to the House.

Ogren moved that H. F. No. 1795 be continued on Special Orders for one day. The motion prevailed.

Wynia moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Haukoos moved that the name of Larsen be added as chief author on H. F. No. 482. The motion prevailed.

Riveness moved that the name of Otis be added as an author on H. F. No. 1932. The motion prevailed.

Reding moved that the name of Olsen, S., be added as an author on H. F. No. 1996. The motion prevailed.

Rodosovich moved that the name of Vellenga be added as an author on H. F. No. 2271. The motion prevailed.

Greenfield moved that the name of Jefferson be added as an author on H. F. No. 2368. The motion prevailed.

O'Connor moved that the name of McKasy be added as an author on H. F. No. 2394. The motion prevailed.

Simoneau moved that the name of Johnson, A., be added as an author on H. F. No. 2729. The motion prevailed.

Winter moved that the name of Voss be added as chief author on H. F. No. 2744. The motion prevailed.

Dempsey moved that his name be stricken as an author on H. F. No. 1391. The motion prevailed.

Welle moved that the name of Price be added as an author on H. F. No. 1534. The motion prevailed.

Carlson, D., moved that the name of Dille be added as chief author on H. F. No. 2238. The motion prevailed.

Scheid moved that the name of Osthoff be added as an author on H. F. No. 2558. The motion prevailed.

Skoglund moved that his name be stricken as an author on H. F. No. 2744. The motion prevailed.

Otis moved that H. F. No. 2336, now on General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Voss moved that H. F. No. 2727, now on Technical General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Kostohryz moved that H. F. No. 1746 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Appropriations. The motion prevailed.

Haukoos moved that H. F. No. 482 be recalled from the Committee on Higher Education and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Kelly moved that H. F. No. 2423, now on General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Shaver moved that H. F. No. 1982 be returned to its author. The motion prevailed.

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Begich introduced:

H. F. No. 2761, A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; appropriating money; amending Minnesota Statutes 1986, sections 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.081, subdivisions 1 and 3; and 176.136, subdivisions 1, 5, and by adding subdivisions; 176.83, by adding a subdivision; 176A.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62;

176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Thursday, March 17, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Thursday, March 17, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 17, 1988

The House of Representatives convened at 2:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Sister Angela Vaughn, Villa Maria Center, Frontenac, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Forsythe	Knuth	Olson, K.	Schreiber
Anderson, R.	Frederick	Kostohryz	Omann	Seaberg
Battaglia	Frerichs	Krueger	Onnen	Segal
Bauerly	Greenfield	Larsen	Orenstein	Simoneau
Beard	Gruenes	Lasley	Osthoff	Skoglund
Begich	Gutknecht	Lieder	Ozment	Solberg
Bennett	Hartle	Long	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pelowski	Steensma
Blatz	Himle	McEachern	Peterson	Sviggum
Boo	Hugoson	McKasy	Poppenhagen	Swenson
Brown	Jacobs	McLaughlin	Price	Thiede
Burger	Jaros	McPherson	Quinn	Tjornhom
Carlson, D.	Jefferson	Miller	Quist	Tompkins
Carlson, L.	Jennings	Minne	Redalen	Trimble
Carruthers	Jensen	Morrison	Reding	Tunheim
Clark	Johnson, A.	Munger	Rest	Uphus
Clausnitzer	Johnson, R.	Murphy	Rice	Valento
Cooper	Johnson, V.	Nelson, C.	Richter	Vellenga
Dauner	Kahn	Nelson, D.	Riveness	Voss
Dawkins	Kalis	Nelson, K.	Rodosovich	Wagenius
DeBlicck	Kelly	Neuenschwander	Rose	Waltman
Dempsey	Kelso	O'Connor	Rukavina	Welle
DeRaad	Kinkel	Ogren	Sarna	Wenzel
Dille	Kludt	Olsen, S.	Schafer	Winter
Dorn	Knickerbocker	Olson, E.	Scheid	Wynia
				Spk. Vanasek

A quorum was present.

Milbert, Otis and Shaver were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. McDonald 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. 1857, 1862, 1939, 2159, 2415, 2554, 2703, 2727, 1872, 1938, 2078, 2088, 1849, 1991, 2172, 2252, 2295, 2317, 2490, 2620, 1534, 1921, 2019, 2246, 2360, 2477, 2414, 2423, 718, 1656, 1678, 2018 and 2340 and S. F. No. 1622 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 90, A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, by adding a subdivision; and 626.53.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 626.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in ~~subdivision 2~~ this section, "health professional" means a physician, surgeon, person authorized to engage in the practice of healing, superintendent or manager of a hospital, nurse, or pharmacist.

Sec. 2. Minnesota Statutes 1986, section 626.52, is amended by adding a subdivision to read:

Subd. 3. [REPORTING BURNS.] A health professional shall make an initial report immediately of a burn injury or wound that the professional is called upon to treat, dress, or bandage if the victim has sustained second- or third-degree burns to five percent or more of the body, the victim has sustained burns to the upper respiratory tract or sustained laryngeal edema from inhaling superheated air, or the victim has sustained a burn injury or wound that may result in the victim's death. The health professional shall make the report by telephoning the burn hotline in order to allow the proper law enforcement or other investigatory authority to be notified. Within 72 hours, the professional shall also file a written report with the state fire marshal, on a form provided by the fire marshal.

Sec. 3. Minnesota Statutes 1986, section 626.53, is amended to read:

626.53 [REPORT BY TELEPHONE AND LETTER.]

The report required by section 626.52, subdivision 2, shall be made forthwith by telephone or in person, and shall be promptly supplemented by letter, enclosed in a securely sealed, postpaid envelope, addressed to the sheriff of the county in which the wound is examined, dressed, or otherwise treated; except that, if the place in which the patient is treated for such injury or the patient's wound dressed or bandaged be in a city of the first, second, or third class, such report shall be made and transmitted as herein provided to the chief of police of such city instead of the sheriff. The office of any such sheriff and of any such chief of police shall keep such report as a confidential communication and shall not disclose the name of the person making the same, and the party making the report shall not by reason thereof be subpoenaed, examined, or forced to testify in court as a consequence of having made such a report.

Sec. 4. Minnesota Statutes 1986, section 626.55, subdivision 1, is amended to read:

Subdivision 1. Any person who violates any provision of sections 626.52 to 626.55, other than section 2, is guilty of a gross misdemeanor."

Delete the title and insert:

"A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, subdivision 1, and by adding a subdivision; 626.53; and 626.55, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 704, A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative review; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivision 5b; 169.1261; and 171.29, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1082, A bill for an act relating to public safety; altering certain requirements concerning fencing of unused mine pits and shafts; providing modification to certain public and private liability laws; providing penalties; amending Minnesota Statutes 1986, sections 3.732, subdivision 1; 3.736, subdivision 3; 87.024; 180.01; 180.03, subdivisions 2 and 3; 180.06; 180.10; 466.03, subdivisions 6c and 13.

Reported the same back with the following amendments:

Page 7, lines 3 and 4, strike existing language

Page 7, line 5, delete new language

Page 7, line 6, delete new language and insert "The county for which the inspector of mines was appointed shall pay the inspector's salary and expenses out of its treasury in the manner provided for payment of salaries and expenses of"

Page 7, delete lines 9 to 23 and insert "request of the county mine inspector, the county board may appropriate money, including money appropriated to the county by the legislature for the purposes of mine safety or inspection for the expenses of the county mine inspector including expenses that arise from the erection and maintenance, by the county, on county administered land, of fences, barriers, or signs required by chapter 180."

Pages 8 and 9, delete section 11

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1229, A bill for an act relating to agriculture; investigating and promoting use of state agricultural commodities by establishments selling prepared food in the state; amending Minnesota Statutes 1986, section 17.03, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [16B.102] [PREFERENCE FOR AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.]

Subdivision 1. [PREFERENCE IN STATE CONTRACTS.] The commissioner must require that state contracts by an agency for purchase of food products or food service contracts provide that the supplier make a reasonable attempt to identify food products that are grown in this state.

Subd. 2. [REPORT.] The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture in the house and senate on total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

Sec. 2. [REPORT.]

The commissioner of agriculture shall investigate the use of agricultural products to discern the opportunity for expansion of market share by agricultural producers in the state. This investigation shall include franchised food chain and restaurant establishments selling prepared food in this state. The commissioner must submit a report of the investigation to the house and senate agriculture committees of the legislature by January 31, 1989.

Sec. 3. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of agriculture to contract for an investigation and report on the use of state agricultural products within the state and opportunities for expanded markets for state agricultural products within the state to be available until expended.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Section 1 applies to contracts entered into by the state after June 30, 1988.”

Delete the title and insert:

“A bill for an act relating to agriculture; requiring attempt to identify Minnesota food products; requiring certain reports by the commissioner of agriculture; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1585, A bill for an act relating to natural resources; providing for surface water regulation on Twin Lakes in the city of Robbinsdale.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [SOUTH TWIN LAKE.]

The south water basin of Twin Lake in Hennepin county, lying east of state trunk highway No. 100 that is located entirely within the city of Robbinsdale is a separate water basin and lake to be known as South Twin Lake. South Twin Lake shall be given a separate public waters inventory number.”

Delete the title and insert:

“A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake.”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1839, 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; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 5 and 18; 13.46, subdivision 2; 116.44, subdivision 1; 121.931, subdivision 5; 126.70, subdivision 2; 127.35; 129B.40, subdivision 1; 145.921; 157.03; 176.081, subdivision 1; 176.101, subdivision 3e; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 245.77; 256.991; 268.04, subdivision 32; 273.124, subdivision 6; 290.05, subdivision 3; 290.50, subdivision 3; 290.92, subdivision 23; 308.11; 383B.229; 473.605, subdivision 2; 473.845, subdivision 1; 485.018, subdivision 2; 515A.3-115; 548.09, subdivision 2; 611A.53, subdivision 1; Min-

nesota Statutes 1987 Supplement, sections 16A.26; 16A.661, subdivision 3; 105.81; 120.05, subdivision 2; 124.646, subdivision 1; 129B.39; 136D.71; 144.122; 145A.07, subdivision 1; 176.131, subdivision 1; 214.01, subdivision 2; 256.01, subdivision 2; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.91, subdivision 3e; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 383B.77; 469.121, subdivision 1; 469.129, subdivision 1; 469.170, subdivisions 1, 3, 7, and 8; 471.562, subdivision 4; 471.563; 474A.02, subdivision 18; 525.94, subdivision 3; 582.041, subdivision 2; reenacting Minnesota Statutes 1987 Supplement, section 80A.14, subdivision 18; repealing Minnesota Statutes 1986, sections 226.01; 226.02; 226.03; 226.04; 226.05; 226.06; 260.125, subdivision 6; 326.01, subdivision 21; 362A.08; repealing Laws 1965, chapter 267; section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapters 134, sections 2 and 30; 163, section 10; Laws 1977, chapter 35, section 8; Laws 1978, chapters 496, section 1; 706, section 31; Laws 1979, chapters 48, section 2; 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapters 242, section 1; 247, sections 38 and 130; 289, section 4; 290, sections 2 and 3; 299, section 26; 303, sections 21 and 22; Laws 1985, First Special Session chapter 9, article 2, sections 81, 82, and 88; Laws 1986, chapters 312, section 1; 400, section 43; 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapters 268, article 5, section 5; 384, article 2, section 25; 385, section 7; 403, article 5, section 1; 404, section 138.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1843, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Page 2, line 28, before "preponderance" insert "a"

Page 2, line 36, delete "or other persons"

Page 3, line 14; delete everything after "(b)"

Page 3, line 15, delete everything before "In"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1973, A bill for an act relating to natural resources; regulating fish spearing on lakes within Indian reservations; amending Minnesota Statutes 1986, section 97C.371, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97C.011, is amended to read:

97C.011 [MUSKELLUNGE LAKES.]

Subdivision 1. [DESIGNATION OF MUSKELLUNGE WATERS.]

(a) The commissioner may, after preparing a statement of need and reasonableness and 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 dark house;
- (2) restrict angling from a dark house;
- (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 97C.385, 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.

(e) The commissioner, when designating a muskellunge water on lakes wholly or partially within an Indian reservation, must allow at least 45 days of spearing. During the time spearing is allowed, the commissioner may restrict spearing from one hour past sunrise to one hour prior to sunset.

Subd. 2. [PENALTY.] A person convicted of spearing outside the time limits or spearing a muskellunge on designated muskellunge waters under clause (e) in subdivision 1 may not be issued a fishing or spearing license for three years after the date of conviction.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Sec. 3. [APPLICABILITY.]

Section 1, subdivision 1, applies to orders and rules of the commissioner issued on and after November 18, 1987.

Amend the title as follows:

Page 1, lines 4 and 5, delete "97C.371, by adding a subdivision" and insert "97C.011"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2000, A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minneosta Statutes 1986, section 548.15.

Reported the same back with the following amendments:

Page 1, line 16, delete "considered"

Page 2, delete lines 10 to 13

Page 2, line 23, strike "give" and insert "file" and after "it" insert "with the court administrator"

Amend the title as follows:

Page 1, line 3, delete "fo" and insert "to"

Page 1, line 4, delete "Minneosta" and insert "Minnesota"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2057, A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [346.56] [UNAUTHORIZED RELEASE OF ANIMALS.]

Subdivision 1. [CRIMINAL PENALTY.] A person who intentionally and without permission releases an animal lawfully confined for science, research, commerce, or education is guilty of a misdemeanor.

Subd. 2. [LIABILITY FOR DAMAGES.] A person who without permission releases an animal lawfully confined for science, research, commerce, or education is liable to the owner of the animal for damages and costs of restoring the animal to confinement.

Sec. 2. [EFFECTIVE DATE.]

This act is effective August 1, 1988, and applies to unauthorized releases committed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2059, A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2, is amended to read:

Subd. 2. [DEFENSES.] No person violates It is an affirmative defense if a person charged under subdivision 1 if the action proves by a preponderance of the evidence that:

(1) is the person reasonably believed the action taken was necessary to protect the child from physical or sexual assault or substantial emotional harm;

(2) is the person reasonably believed the action taken was necessary to protect the person taking the action from physical or sexual assault;

(3) the action taken is consented to by the parent, stepparent, or legal custodian seeking prosecution, but consent to custody or specific visitation is not consent to the action of failing to return or concealing a minor child; or

(4) the action taken is otherwise authorized by a court order issued prior to the violation of subdivision 1.

The defenses provided in this subdivision are in addition to and do not limit other defenses available under this chapter or chapter 611.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to crimes committed on or after that date. However, to the extent that it states that subdivision 2 creates affirmative defenses to a charge under section 609.26, section 1 clarifies the original intent of the legislature in enacting Laws 1984, chapter 484, section 2; does not change the substance of Minnesota Statutes, section 609.26; and does not modify or alter any convictions entered under that section before the effective date of section 1."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2075, A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [84.97] [CONTROLLED BURNING.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a controlled burning program on public and private land to propagate wildlife requiring new vegetative growth and brush habitats, prairie management and to reduce the wildfire hazard.

Subd. 2. [BURNING PERMITS.] (a) A person may not conduct a controlled burn without a permit.

(b) The commissioner shall provide a manual that describes financial and technical assistance available and provides detailed information on conducting a controlled burn.

Subd. 3. [ASSISTANCE FOR PRIVATE BURNS.] The commissioner may provide financial and technical assistance to persons who desire to conduct controlled burns approved by the commissioner. Technical assistance includes controlled burn plan development, demonstration controlled burns, and personnel assistance for a controlled burn.

Subd. 4. [CONTROLLED BURN COORDINATOR.] The position of controlled burn coordinator is established in the department of natural resources for the purpose of coordinating activities pursuant to subdivision 1.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the commis-

sioner of natural resources for the purposes listed in clauses (1) to (5), to be available until June 30, 1989:

<u>(1) financial and technical assistance</u> <u>for controlled burns on nonstate lands</u>	\$
<u>(2) controlled burns on state land</u>	\$
<u>(3) controlled burn equipment</u>	\$
<u>(4) preparation and publication of a controlled</u> <u>burn manual</u>	\$
<u>(5) controlled burn coordinator</u> <u>salary and support services</u>	\$

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2179, A bill for an act relating to state parks; adding Hill-Annex Mine state park to the state park system; specifying terms and conditions of acquisition; appropriating funds; amending Minnesota Statutes 1986, section 85.012, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85.012, is amended by adding a subdivision to read:

Subd. 27a. Hill-Annex Mine state park, Itasca county.

Sec. 2. [PARK BOUNDARIES.]

Hill-Annex Mine state park consists of the surface interest in land within Itasca county described as Section 16, Township 56 North, Range 23 West, excluding an area containing 6.5 acres more or less which is described as follows:

Starting at the corner common to Sections 17, 16, 20 and 21, Township 56 North, Range 23 West; thence due east on section line 155 feet to point of beginning; thence due east 916 feet; thence due north 330 feet; thence due west 916 feet; thence due south 330 feet to the point of beginning.

Sec. 3. [ACQUISITION.]

When the agreements and transfers required by section 4 have been completed to the satisfaction of the commissioner of natural resources, the commissioner shall acquire by condemnation sufficient ownership interests in the surface estate of the land described in section 2 to create a state park to interpret and provide the public with an opportunity to view and experience natural iron ore open-pit mining operations as conducted on Minnesota's historic iron ranges.

The commissioner may not condemn the mineral estate in the described property, and, in the establishment of the park, shall recognize the possibility that mining may be conducted on the property in the future, and that use of portions of the surface estate may be necessary to these possible future mining operations. Subject to the above conditions, all lands acquired for the Hill-Annex Mine state park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use.

Sec. 4. [ESTABLISHMENT AND MAINTENANCE.]

For establishing Hill-Annex Mine state park, the iron range resources and rehabilitation board must take the following actions:

(1) the board must provide the commissioner of natural resources with the necessary equipment to operate the Hill-Annex Mine state park and maintain the access roads for the Hill-Annex Mine tour, provide the commissioner of natural resources with an agreement by local units of government to maintain the access roads for the Hill-Annex Mine tour, or must enter into an agreement with the department of natural resources to maintain these roads at the expense of the board;

(2) the board must acquire and install a water pump and necessary pipeline for removing water from the mine that is of sufficient capacity to efficiently maintain a water level low enough to allow

public bus tours down to the bottom of the area called (A) pocket; and

(3) the board must provide vehicles suitable for transporting visitors through the mine on interpretive tours.

Sec. 5. [APPROPRIATION.]

\$270,000 is appropriated from the general fund to the commissioner of natural resources to operate Hill-Annex Mine state park for fiscal year 1989.

\$160,000 is appropriated to the commissioner of natural resources from the general fund for land acquisition to be available until expended.

Five positions are added to the complement of the division of parks and recreation for staff for Hill-Annex Mine state park."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2186, A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2203, A bill for an act relating to education; allowing school districts to designate a volunteer staff person in each secondary school as a referral counselor for students; excluding referral counselors from certain duties and liabilities; proposing coding for new law in Minnesota Statutes, chapter 123.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [123.43] [VOLUNTARY REFERRAL COUNSELOR.]

Subdivision 1. [DESIGNATION.] The school board may designate a staff person in each secondary school as a confidential referral person for the pupils. In public secondary schools with enrollments of more than 500 pupils, the school board may designate a confidential referral person for each 500 pupils enrolled in the school. In this section, a confidential referral person means a volunteer staff person other than a certified counselor who is willing to and will be available to students to discuss their personal concerns and problems on a confidential basis.

Subd. 2. [DEFINITION.] A confidential referral person's primary responsibility is to refer students to appropriate professional help when the referral person believes it is in the student's best interest.

Subd. 3. [CONFIDENTIALITY; EXCEPTIONS.] Notwithstanding any law to the contrary, any information discussed with the staff person serving in the role of a confidential referral person, when that person is serving in that role, is confidential. The confidential referral person is not obligated to disclose this information to teachers, administrators, or other persons, except that a confidential referral person may reveal:

(1) confidences or secrets with the consent of the student or students affected, but only after consultation with them; or

(2) the intention of a student to commit a crime and the information necessary to prevent a crime.

In those instances when a confidential referral person knows or has reason to believe that a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years, the confidential referral person shall report immediately the information to the local welfare agency, police department, or the county sheriff, as required in section 626.556, subdivision 3.

Subd. 4. [IMMUNITY.] A school district staff person, serving in the role of a confidential referral person, as defined in subdivision 1, and in good faith, under this section, is immune from civil or criminal liability that otherwise might result from the service.

Subd. 5. [NOTIFICATION TO STAFF AND STUDENTS.] A school district must notify the district staff that the district is authorized to designate a staff person as a confidential referral person under this section. If a school board designates a staff person as a confidential referral person, the school board must notify the

students of the availability of this person to talk with the students in a confidential manner subject to this section."

Delete the title and insert:

"A bill for an act relating to education; allowing school districts to designate a volunteer staff person in each secondary school as a confidential referral person for students; excluding confidential referral persons from certain duties and liabilities; proposing coding for new law in Minnesota Statutes, chapter 123."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2206, A bill for an act relating to crimes; expanding aggravated robbery and burglary in the first degree to include crimes committed with an article that appears to be a dangerous weapon; creating a felony offense of terrorizing with a replica firearm; amending Minnesota Statutes 1986, sections 609.245; 609.582; and 609.713, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 21, delete everything after "object"

Page 2, line 22, delete "other material," and delete the second "is"

Page 2, line 23, delete "recognizable as" and insert "reasonably appears to be"

Page 2, line 25, before the period insert "that is not otherwise defined as a dangerous weapon"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2216, A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of

natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 2245, A bill for an act relating to education; establishing the amount of the formula allowance for general education revenue for fiscal year 1990; amending Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"SUMMARY

Section 1. [APPROPRIATIONS; TABLE.]

The sums shown are appropriated from the general fund to the agencies specified for the purposes specified in this act to be available for the fiscal year indicated for each purpose.

The figures "1988" and "1989," when used in this act, mean that the appropriation or appropriations listed under or along side them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
<u>General</u>	<u>\$12,000</u>	<u>\$54,411,300</u>	<u>\$54,423,300</u>

ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,735 \$2,785 for the 1988-1989 school year. The formula allowance is \$2,820 for the 1989-1990 school year.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] The compensatory education revenue for the 1988-1989 school year for each district equals \$2,735 times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year. For the 1989-1990 school year and each year thereafter, the compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SPARSITY REVENUE.] For the 1988-1989 school year only, a district's sparsity revenue equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) \$2,735, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary average daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

For the 1989-1990 school year and each year thereafter, a district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary average daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

Sec. 4. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION MILL RATE.] The commissioner of revenue shall establish the general education mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted assessed valuation for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 fiscal year shall be the rate that raises \$1,079,000,000. The general education mill rate for the 1990 fiscal year shall be the rate that raises \$1,079,000,000. The general education mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 5. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 2, is amended to read:

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue for the 1989-1990 school year and each year thereafter, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, the general education levy shall be determined according to subdivision 3. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Sec. 6. Minnesota Statutes 1987 Supplement, section 124A.23, is amended by adding a subdivision to read:

Subd. 2a. [GENERAL EDUCATION LEVY, 1988-1989 SCHOOL YEAR.] To obtain general education revenue for the 1988-1989 school year, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the sum of:

- (1) the district's compensatory education revenue; plus
- (2) the district's training and experience revenue; plus
- (3) the district's sparsity revenue; plus

(4) \$2,735 times the district's actual pupil units for the 1988-1989 school year, the general education levy shall be determined according to section 8.

Sec. 7. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY; DISTRICTS OFF THE FORMULA.] For the 1989-1990 school year and each year thereafter, if the amount of the general education levy for a district exceeds the district's general education revenue, the amount of the general education levy shall be limited to the following:

- (1) the district's general education revenue; plus
- (2) the amount of the aid reduction for the same school year according to section 124A.24; minus
- (3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Sec. 8. Minnesota Statutes 1987 Supplement, section 124A.23, is amended by adding a subdivision to read:

Subd. 3a. [GENERAL EDUCATION LEVY, DISTRICTS OFF THE FORMULA, 1988-1989 SCHOOL YEAR.] If the amount of the general education levy for a district for the 1988-1989 school year exceeds the district's general education revenue, the amount of the general education levy is limited to the following:

- (1) the sum of the district's (i) compensatory revenue, (ii) training and experience revenue, (iii) sparsity revenue, and (iv) \$2,735 times the district's actual pupil units for the 1988-1989 school year; plus
- (2) the amount of the aid reduction for the same school year according to section 124A.24; minus
- (3) payments made for the same school year according to section 124A.035, subdivision 4.

For statutory cross-reference, a levy made according to this subdivision is the levy made according to section 6.

Sec. 9. Minnesota Statutes 1987 Supplement, section 124A.24, is amended to read:

124A.24 [GENERAL EDUCATION LEVY EQUITY.]

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in sections 273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education mill rate, according to section 124A.23, times the district's adjusted assessed valuation used to determine the general education aid for the same school year; and

(2) the district's general education revenue for the same school year, according to section 124A.22.

However, for fiscal year years 1989 and 1990, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be three-eighths of the difference between clauses (1) and (2); for fiscal year ~~1990~~ 1992, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-eighths of the difference between clauses (1) and (2); for fiscal year ~~1991~~ 1994, the amount of the deduction shall be three-fourths of the difference between clauses (1) and (2); and for fiscal year 1995, the amount of the deduction shall be seven-eighths of the difference between clauses (1) and (2).

Sec. 10. [124A.245] [GENERAL EDUCATION LEVY EQUITY, 1988-1989 SCHOOL YEAR.]

If a district's general education levy for the 1988-1989 school year is determined according to section 6, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state aid payments receivable for the same school year authorized in sections 273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8. The aid in section 124.646 must not be reduced.

The amount of the deduction equals one-fourth of the differences between:

(1) the general education mill rate, according to section 124A.23, times the district's adjusted assessed valuation used to determine the general education aid for the same school year; and

(2) the sum of the district's (i) compensatory revenue, (ii) training and experience revenue, (iii) sparsity revenue, and (iv) \$2,735 times the district's actual pupil units for the 1988-1989 school year.

Sec. 11. Minnesota Statutes 1987 Supplement, section 124A.25, subdivision 2, is amended to read:

Subd. 2. [MINIMUM ALLOWANCE.] "Minimum allowance" for a district for the 1988-1989 school year means:

(1) the district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in pupil unit weighting made in section 124.17, subdivision 1; plus

(3) \$40 \$90.

"Minimum allowance" for a district for the 1989-1990 school year, and each year thereafter, means:

(1) the district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in weighting made in section 124.17, subdivision 1; plus

(3) \$90; plus

(4) .75 times the difference between the formula allowance for the current school year and the formula allowance for the preceding school year.

Sec. 12. Minnesota Statutes 1987 Supplement, section 124A.25, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTAL LEVY.] To obtain supplemental revenue for the 1989-1990 school year and each year thereafter, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue for the same year.

Sec. 13. Minnesota Statutes 1987 Supplement, section 124A.25, is amended by adding a subdivision to read:

Subd. 4a. [SUPPLEMENTAL LEVY, 1988-1989 SCHOOL YEAR.] To obtain supplemental revenue for the 1988-1989 school year, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to the sum of the following calculation:

(1) the district's compensatory revenue; plus

(2) the district's training and experience revenue; plus

(3) the district's sparsity revenue; plus

(4) \$2,735 times the district's actual pupil units for the 1988-1989 school year.

Sec. 14. [APPROPRIATIONS.]

There is appropriated from the general fund to the department of education the sum of \$30,200,000 for general education aid for the 1988-1989 school year. This sum is added to the sum appropriated in Laws 1987, chapter 398, article 1, section 26, subdivision 2.

The appropriation is based on an aid entitlement of \$35,500,000 for fiscal year 1989.

Sec. 15. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 124A.27, subdivision 10, is repealed.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1986, section 120.74, subdivision 1, is amended to read:

Subdivision 1. A school board is not authorized to charge fees in the following areas:

(a) Textbooks, workbooks, art materials, laboratory supplies, towels;

(b) Supplies necessary for participation in any instructional course except as authorized in sections 120.73 and 120.75;

(c) Field trips which are required as a part of a basic education program or course;

(d) Graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;

(e) Instructional costs for necessary school personnel employed in any course or educational program required for graduation;

(f) Library books required to be utilized for any educational course or program;

(g) Admission fees, dues, or fees for any activity the pupil is required to attend;

(h) Any admission or examination cost for any required educational course or program;

(i) Locker rentals;

(j) Transportation of pupils (1) to and from school as authorized pursuant to section 123.39 or (2) for which state transportation aid is authorized pursuant to section 124.223. However, a district may charge a fee for transporting pupils for which aid is not authorized under section 124.223, clause (1), provided that a district charging fees for transportation of pupils must establish guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

(1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to, and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of

pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of pupils who are custodial parents to and from the provider of child care services for the pupil's child, within the attendance area of the school the pupil attends;

For the purposes of this clause, a district may designate a licensed day care facility or the residence of a relative as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends;

(2) [OUTSIDE DISTRICT.] Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by sec-

tion 120.17, subdivision 9, for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE ACADEMIES.] Transportation for residents to and from the Minnesota state academy for the deaf or the Minnesota state academy for the blind;

(8) [SUMMER INSTRUCTIONAL PROGRAMS.] Services described in clauses (1) to (7), (9), and (10) when provided in conjunction with a summer program eligible for aid and levy under sections 124A.03 and 124A.033;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124.225, subdivision 4b, is amended to read:

Subd. 4b. [FORMULA TERMS.] (a) To predict the logarithm of the base cost for each district pursuant to subdivision 3 for the 1985-1986 base year, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category; or (b) 200;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

(b) To predict the logarithm of the base cost for each district according to subdivision 3 for the 1986-1987 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of:

(A) 200; or

(B) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards,

(C) by the area of the district in square miles;

(2) whether the district is nonrural, based upon criteria established by the department of education; and

(3) the logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

(b) To predict the logarithm of the base cost for each district according to subdivision 3 for the 1987-1988 base year and thereafter, the multiple regression formula shall use the following terms for each district:

(1) the logarithm of the lesser of:

(A) 200; or

(B) the quotient obtained by dividing the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of secondary pupils transported to and from school in the base year who live more than one mile but less than two miles from the public school that they could attend or from the nonpublic school actually attended, plus

(iii) the number of pupils residing less than one mile from school who were transported to and from school in the base year because of extraordinary traffic hazards,

(C) by the area of the district in square miles;

(2) for districts with more than the state average number of pupils

in average daily membership per square mile, the logarithm of the greater of:

(A) the percentage of the assessed valuation of the district that is not classified as agricultural land under section 273.13, subdivision 23, minus 65 percent, or

(B) one;

(3) the logarithm of the ratio of:

(A) the percentage of all FTE's transported in the regular category using buses that are not owned by the district, divided by

(B) the lesser of the quotient defined in clause (b) (1) (B), or 40.

Sec. 4. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish the basic transportation mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate, rounded up to the nearest hundredth of a mill, that, when applied to the adjusted assessed valuation of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1987 payable 1988 levies and for transportation aid for the 1988-1989 school year shall be the rate that raises \$71,256,100. The basic transportation mill rate for the 1988 payable 1989 levies and for transportation aid for the 1989-1990 school year shall be the rate that raises \$71,256,100. The basic transportation mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 5. Laws 1987, chapter 398, article 2, section 13, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$90,477,000 1988,

~~\$87,334,800~~ \$87,419,800 1989.

The appropriation for aid for fiscal year 1988 includes \$12,194,300 for aid for fiscal year 1987 payable in fiscal year 1988 and \$78,282,700 for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$13,814,600 for aid for fiscal year 1988 payable in fiscal year 1989 and ~~\$73,520,200~~ \$73,605,200 for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$92,097,200 for fiscal year 1988 and ~~\$86,494,300~~ \$86,594,300 for fiscal year 1989.

Sec. 6. [APPROPRIATION.]

There is appropriated from the general fund to the department of education the sum of \$50,000 for fiscal year 1989 for state paid reimbursements of transportation costs based on financial need according to Minnesota Statutes, section 123.3515, subdivision 6.

The appropriation is available to reimburse costs in both years of the biennium.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1987 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] For 1988-1989 and later school years, a district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a school year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that ~~district's or cooperative center's~~ approved secondary vocational education programs program, and

(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in ~~secondary vocational courses~~ that program; and

(b) 30 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency

other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.573, is amended by adding a subdivision to read:

Subd. 2d. [ADMINISTRATION.] In making the computation in subdivision 2b, paragraph (a), clause (1), the salaries of the administrator and support service facilitator shall be apportioned among programs based on the number of full-time equivalent instructors in each program.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124.573, is amended by adding a subdivision to read:

Subd. 5. [DISTRICT REPORTS.] Each district or cooperative center shall report data to the department for all secondary vocational education programs as required by the department to implement the secondary vocational aid formula.

Sec. 4. Minnesota Statutes 1986, section 126.151, is amended to read:

126.151 [VOCATIONAL EDUCATION STUDENT ORGANIZATIONS.]

Subdivision 1. [ENROLLMENT.] Any pupil student enrolled in a vocational technical education program approved by the state board of education and the state board of vocational technical education may belong to a vocational student organization which is operated as an integral part of the vocational program. The commissioner of education and state board of vocational technical education may provide necessary technical assistance and leadership to these organizations at the state level for administration of approved

vocational student organizations and fiscal accounts, including state and national conferences.

Subd. 2. [VOCATIONAL STUDENT ORGANIZATION ACCOUNTS.] The department of education and state board of vocational technical education may retain dues and other money collected on behalf of students participating in authorized vocational student organizations and may deposit the money in separate student organization accounts. The funds in these accounts shall be available for expenditures for state and national activities related to the specific vocational student organization. Administration of funds collected under this section are not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Funds shall be administered under the policies of the department of education for secondary vocational student organizations and the state board of vocational technical education relating to post-secondary vocational student organizations and shall be subject to audit by the legislative auditor. The unexpended funds shall carry forward from one fiscal year to the next and from one fiscal biennium to the next.

Sec. 5. Minnesota Statutes 1987 Supplement, section 126.666, is amended by adding a subdivision to read:

Subd. 2a. [AMERICAN INDIAN SUBCOMMITTEE.] In a district that offers an education program for American Indians and has established an Indian parent advisory committee under section 126.51, or a local committee of Indian parents under the Johnson-O'Malley Act, United States Code, title 25, section 456, or a committee of parents under the Indian Education Act, United States Code, title 20, section 241dd(b)(2)(B)(ii), the school board shall establish an American Indian subcommittee of the curriculum advisory committee. The subcommittee must be composed of parents of American Indian students from the established American Indian education committees in the district. The composition must be determined according to criteria established by the state board. The subcommittee shall advise the curriculum advisory committee and the school board on:

- (1) education needs of American Indian students;
- (2) recommendations on assessment procedures and instructional programs to meet the educational needs of American Indian students and the requirements of grants that are available to the district for American Indian programs;
- (3) developing a long range plan for the education of American Indian students under sections 124.481 and 126.48; and
- (4) integrating programs and services to meet the educational

needs of American Indian students with the total array of student programs and services provided by the district.

Sec. 6. Laws 1987, chapter 398, article 3, section 39, subdivision 8, is amended to read:

Subd. 8. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For Indian post-secondary preparation grants, according to Minnesota Statutes, section 124.481, there is appropriated:

\$781,400 1988,

~~\$781,400~~ \$881,400 1989.

Sec. 7. [INDIAN EDUCATION STUDY.]

Subdivision 1. [INDIAN EDUCATION COUNCIL.] (a) An Indian education council composed of 17 members is established to develop recommendations for programs to address the educational needs of Indian children. The state board of education shall appoint two of its members to serve on the council. The board of independent school district No. 625, St. Paul and the board of special school district No. 1, Minneapolis, shall each appoint one of its members and one Indian parent residing in the district to serve on the council. The governor must appoint the remaining members. Seven of the members must be appointed in consultation with the Indian affairs council and the advisory council on urban Indians, as provided in Minnesota Statutes, section 3.922, subdivision 6, clause (6), and subdivision 8, and at least four of the seven must be Indian parents.

(b) The council chair must be elected by the members of the council. Minnesota Statutes, section 15.059, subdivisions 3 and 4, apply to compensation and removal of members of the council. The council terminates on February 1, 1989.

Subd. 2. [RECOMMENDATIONS.] The council shall make recommendations about what education structures, programs, and forms of governance and financing appear to provide the best learning environment for Indian children.

The council may make additional recommendations about other education options or issues affecting Indian children.

Subd. 3. [COUNCIL STAFF AND FACILITIES.] The commissioner of education may provide space within the department's facilities for council meetings and council staff. The commissioner may provide available support services to the council and council staff. The council may contract for professional and nonprofessional

staff. The council may contract with consultants and for legal services, as needed.

Subd. 4. [REPORT TO LEGISLATURE.] By February 1, 1989, the council shall report its recommendations to the state board of education and the education committees of the legislature.

Sec. 8. [DELIVERING CAREER AND SECONDARY VOCATIONAL EDUCATION.]

Subdivision 1. [SECONDARY VOCATIONAL INSTRUCTION MODEL.] The commissioner of education, in consultation with the director of the state board of vocational technical education, the director of the state council on vocational technical education, and the chair of the department of vocational and technical education, University of Minnesota, shall develop a restructured model for delivering secondary vocational education. The model must be consistent with the following principles:

(1) all secondary students should have access to career exploration opportunities;

(2) all secondary students should receive instruction in job seeking, job keeping, and other employment skills;

(3) learner outcomes for secondary vocational programs should include basic skills instruction and higher order thinking skills;

(4) secondary vocational education curriculum should include preparing students for family roles and applying technology to students' learning experiences;

(5) secondary vocational education programs designed for the instruction of specific occupational skills should be coordinated with post-secondary vocational programs so that students do not need to repeat course work.

Subd. 2. [STAFFING.] The commissioner may employ or contract for temporary staffing in developing this model. The commissioner shall actively involve secondary vocational and post-secondary vocational education teachers, vocational teacher educators, special needs staff, general education teachers, school counselors, school administrators, school board members, and persons from business and industry in developing the model.

Subd. 3. [REPORT.] By December 1, 1988, the commissioner shall report to the governor and the education committees of the legislature on the restructured delivery model and recommendations for implementation.

Sec. 9. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [SECONDARY VOCATIONAL MODEL.] For developing a restructured secondary vocational model, there is appropriated:

\$100,000 1989.

Subd. 3. [INDIAN EDUCATION COUNCIL.] For the Indian education council there is appropriated:

\$100,000 1989.

ARTICLE 4

COMMUNITY EDUCATION

Section 1. Minnesota Statutes 1987 Supplement, section 121.612, subdivision 3, is amended to read:

Subd. 3. [FOUNDATION PROGRAMS.] The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence; and

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements; and

~~(e) governor's awards ceremonies to promote academic competition.~~

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Sec. 2. Minnesota Statutes 1986, section 121.612, is amended by adding a subdivision to read:

Subd. 3b. [GOVERNOR'S SCHOLARS PROGRAM.] The foundation shall administer a governor's scholars program to promote, recognize, and enhance community service and academic achievement. The program shall recognize students from all parts of the state. The foundation shall establish criteria and a process for student selection.

Sec. 3. Minnesota Statutes 1987 Supplement, section 121.87, subdivision 1a, is amended to read:

Subd. 1a. [RESPONSIBILITIES.] The community education advisory task force, in consultation with the commissioners of health, human services, natural resources, and jobs and training or their designees, shall:

(1) develop a statewide plan to promote a coordinated interagency approach to addressing the needs and developing the resources of youth, from birth to age 21, at both the state and local level through programs such as positive youth development partnerships, youth in community service programs, and interagency programs for providing services to young children and youth;

(2) make recommendations to the state board of education and other appropriate entities on means for improving coordination of efforts by various state and local agencies and programs in addressing the needs of and opportunities for youth; ~~and~~

(3) develop model plans for an interagency approach by local advisory councils; and

(4) develop model plans for community service programs.

Sec. 4. Minnesota Statutes 1986, section 121.88, is amended by adding a subdivision to read:

Subd. 9. [COMMUNITY SERVICE PROGRAMS.] A school board may offer, as part of a community education program, a community service program for public school students for the purpose of promoting active citizenship and addressing community needs through youth service. The community education advisory council shall design the service program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

(1) preliminary training for student volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the student volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity for student volunteers to give genuine service to their community; and

(4) integration of academic learning with the service experience.

Examples of appropriate student service placements include: child care, Head Start, early childhood education, and extended day programs; tutoring programs involving older students tutoring younger students; environmental beautification projects; and regular visits for shut-in senior citizens.

Sec. 5. Minnesota Statutes 1986, section 121.88, is amended by adding a subdivision to read:

Subd. 10. [EXTENDED DAY PROGRAMS.] A school board may offer, as part of a community education program, an extended day program for children from kindergarten through grade six for the purpose of expanding students' learning opportunities. A program must include the following:

(1) adult supervised programs while school is not in session;

(2) parental involvement in program design and direction;

(3) partnerships with the K-12 system, and other public, private, or nonprofit entities; and

(4) opportunities for trained secondary school students to work with younger children in a supervised setting as part of a community service program.

The district may charge a sliding fee based upon family income for extended day programs. The district may receive funds from other public or private sources for the extended day program.

Sec. 6. Minnesota Statutes 1986, section 121.88, is amended by adding a subdivision to read:

Subd. 11. [PARENTAL INVOLVEMENT PROGRAMS.] A school board may offer, as part of a community education program, a parental involvement program for the purpose of focusing on the learning development of the child. The program must include the following:

(1) direction by a community committee composed primarily of parents;

(2) a partnership integrating the school district's K-12 curriculum, vocational education, and programs of local organizations;

- (3) an evaluation mechanism; and
- (4) coordination of opportunities for parental involvement with those developed by the curriculum advisory committee as provided in section 126.666, subdivision 2.

Sec. 7. [121.883] [DEVELOPMENTAL PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] A district that provides an early childhood and family education program may establish or contract with a nonprofit community organization for developmental programs for three, four, and five year olds in need of additional learning opportunities. A district not providing an early childhood family education program under section 121.882 may cooperate with a district that provides such a program, to jointly offer a developmental program. The program shall be designed for children identified and referred to a developmental program by entities that screen children, including the district's screening program, the local health department, physicians, or social workers.

Subd. 2. [PROGRAM CHARACTERISTICS.] The community education advisory committee shall design a developmental program that is appropriate for those children needing additional learning opportunities and that does not duplicate existing programs. A program must include:

- (1) a developmentally appropriate curriculum that addresses a child's physical, cognitive, emotional, and social development;
- (2) substantial parental involvement;
- (3) a high degree of adult-child interaction;
- (4) child-initiated learning;
- (5) in-service training for caregivers;
- (6) administrative support for developmentally appropriate practices;
- (7) an outreach component; and
- (8) periodic evaluations.

Subd. 3. [RULES.] The state board of education must develop rules governing staff qualifications, program characteristics, adequate staffing ratios, and adequate space and furnishings for developmental programs that are consistent with the provisions of section 121.882 and department of human services rules.

Subd. 4. [COORDINATION.] A district must coordinate the developmental program with the early intervention committee, the early childhood family education advisory committee, and community organizations offering services promoting children's learning development. Under this program, consultation or training may be offered to family day care providers serving children in need of additional learning opportunities.

Sec. 8. Minnesota Statutes 1987 Supplement, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID.] (a) Each fiscal year a district that operates a community education program shall receive community education aid.

(b) For fiscal year 1988 the aid shall be an amount equal to the difference obtained by subtracting

(1) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(2) the greater of

(i) \$7,340, or

(ii) \$5.50 times the population of the district.

(c) For fiscal year 1989 and each year thereafter, the aid for a district without an approved youth development plan shall be an amount equal to the difference obtained by subtracting

(1) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(2) the greater of

(i) \$7,340, or

(ii) \$5.50 times the population of the district.

(d) (c) For fiscal year 1989 and each year thereafter, the aid for a district with an approved youth development plan under section 121.88, subdivision 8, shall be an amount equal to the difference obtained by subtracting

(1) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(2) the greater of

(i) \$8,000, or

(ii) \$6 times the population of the district.

(d) For fiscal year 1989, a district operating a program according to section 4, 5, or 6 is eligible for additional community education aid of \$1 times the greater of the population of the district or 1,335. The aid received according to this clause must be used to operate a program according to section 4, 5, or 6.

(e) For a district with an approved youth development plan, the greater of 50 cents per capita or \$660 must be used to implement the youth development plan.

(f) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, paragraph (a), the district's community education aid under paragraphs (a) to (e) shall be reduced by multiplying the aid amount computed pursuant to paragraphs (a) to (e) by the ratio of the district's actual levy under section 275.125, subdivision 8, paragraph (a), to its maximum permissible levy under section 275.125, subdivision 8, paragraph (a). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, paragraph (a), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

Sec. 9. Minnesota Statutes 1986, section 124.271, is amended by adding a subdivision to read:

Subd. 2c. [COMMUNITY EDUCATION REVENUE.] For fiscal year 1990 and each year thereafter, a district's "community education revenue" is the greater of the population of the district or 1,335 times the sum of the following:

(1) \$5.75 for basic community education revenue; plus

(2) \$.50 for districts with approved youth development plans under section 121.88, subdivision 8; plus

(3) \$1 for districts operating a program under section 4, 5, or 6.

Sec. 10. Minnesota Statutes 1986, section 124.271, is amended by adding a subdivision to read:

Subd. 2d. [COMMUNITY EDUCATION AID.] For fiscal year 1990 and each year thereafter, a district's "community education aid" shall equal:

(1) the difference between its community education revenue and its community education levy limitation for the levy for that fiscal year, multiplied by

(2) the ratio of the amount actually levied for that fiscal year to the amount of its community education levy limitation under section 275.125, subdivision 8, paragraph (a).

For purposes of computing the aid reduction according to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, paragraph (a), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

Sec. 11. Minnesota Statutes 1987 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] For fiscal year 1987 the "maximum revenue" for early childhood family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the prior school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year. For fiscal year years 1988 and each year thereafter 1989, the "maximum revenue" for early childhood family education programs for a school year means is the amount of revenue derived by multiplying \$84.50 times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year. For fiscal year 1990 and each year thereafter, the "maximum revenue" is the amount of revenue derived by multiplying the greater of 150 or the number of people under five years of age residing in the district on September 1 of the preceding school year times the sum of the following:

(1) \$94.50 for basic early childhood family education; plus

(2) \$12 for districts with a program under section 7.

Sec. 12. Minnesota Statutes 1986, section 124.2711, is amended by adding a subdivision to read:

Subd. 3a. [DEVELOPMENTAL PROGRAM AID, FISCAL YEAR 1989.] For fiscal year 1989, a district that operates a program under section 7 is eligible for additional early childhood family education aid equal to \$12 times the greater of 150 or the number of people under five years of age residing in the district on September 1 of the preceding school year.

Sec. 13. Minnesota Statutes 1987 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall adopt rules to license public school teachers and interns subject to chapter 14. The board shall adopt rules for examination of teachers, as defined in section 125.03, subdivision 5. The rules may allow for completion of the examination of skills in reading, writing, and mathematics before entering or during a teacher education program. The board shall adopt rules to approve teacher education programs. The rules must require teacher education programs to train teacher education students in methods of involving parents and guardians in pupils' learning development. The board of teaching shall provide the leadership and shall adopt rules by October 1, 1988, for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teaching education program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

These rules shall encourage teacher educators to obtain periodic elementary or secondary teaching experience. The board shall also grant licenses to interns and to candidates for initial licenses. The board shall design and implement an assessment system which requires candidates for initial licensure and first continuing licensure to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels. The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of education and the state board of vocational technical education.

Sec. 14. Minnesota Statutes 1987 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan for any of the following purposes:

- (1) to participate in the educational effectiveness program according to section 121.609;
- (2) to provide in-service education for elementary and secondary teachers to improve the use of technology in education;
- (3) to provide subject area in-service education emphasizing the academic content of curricular areas determined by the district to be a priority area;

(4) to use experienced teachers, as mentors, to assist in the continued development of new teachers;

(5) to increase the involvement of parents, business, and the community in education;

(6) for experimental delivery systems;

(7) for in-service education to increase the effectiveness of principals and administrators;

(8) for in-service education or curriculum development for programs for gifted and talented pupils;

(9) for in-service education or curriculum development for cooperative efforts to increase curriculum offerings, as set forth in section 124.272;

(10) for improving curriculum, according to the needs identified under the planning, evaluation, and reporting process set forth in section 126.666;

(11) for in-service education and curriculum development designed to promote sex equity in all aspects of education, with emphasis on curricular areas such as mathematics, science, and technology programs;

(12) for in-service education or curriculum modification for handicapped pupils and low-achieving pupils;

(13) for short-term contracts as described in section 126.72; or

(14) to employ teachers for an extended year to perform duties directly related to improving curriculum or teaching skills; or

(15) for in-service education for teachers and administrators to encourage parental involvement in pupils' learning development.

Sec. 15. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (a) Each year, a district ~~without a youth development plan~~ that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than ~~the greater of~~

(1) \$7,340, or

(2) \$5.50 times the population of the district.

(b) Each year, a district with an approved youth development plan, or a district that intends to approve a youth development plan for the 1988-1989 school year, that has established a community education advisory council under section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

(1) \$8,000, or

(2) \$6 times the population of the district the "community education revenue" as defined in section 9 for the fiscal year for which the levy is attributable.

(e) (b) In addition to the levy authorized in paragraph (a) or (b), each year a district may levy an additional amount for community education programs equal to the amount authorized under Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(d) (c) A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .4 .2 mill times the adjusted assessed valuation of the district for the preceding year.

(e) (d) A district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of: (1) the actual expenditures for approved programs for the fiscal year beginning in the calendar year after the levy is certified minus the amount of state aid paid for the same year, or (2) \$30,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program.

(f) (e) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(g) (f) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 16. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for fiscal years ending June 30 in the years designated.

Subd. 2. [COMMUNITY SERVICE, EXTENDED DAY, PARENTAL INVOLVEMENT.] For additional community education aid according to section 8, there is appropriated:

\$2,992,000 1989.

This appropriation is based on an entitlement of \$3,520,000.

Subd. 3. [DEVELOPMENTAL PROGRAMS.] For additional early childhood family education aid according to section 12, there is appropriated:

\$1,843,000 1989.

This appropriation is based on an entitlement of \$2,168,000.

Subd. 4. [BASIC SKILLS EVALUATION.] To begin a comprehensive outside evaluation of literacy systems, there is appropriated:

\$100,000 1989.

This appropriation is contingent upon the department's receipt of a 50 percent match from private sources. The commissioner of education must certify receipt of the private matching funds. The appropriation shall be used to begin developing a comprehensive evaluation system for basic skills programs. The department must contract with an entity that is not connected to a delivery system.

Subd. 5. [GED ON TV.] For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series, there is appropriated:

\$100,000 1989.

Subd. 6. [GOVERNOR'S SCHOLARS PROGRAM.] For the governor's scholars program, there is appropriated:

\$75,000 1989.

The foundation shall solicit private donations to provide additional support for the governor's scholars program.

Subd. 7. [COMMUNITY SERVICE PROGRAM SUPPORT.] For department support to districts implementing programs under sections 4, 5, 6, and 7, there is appropriated:

\$160,000 1989.

The complement of the department is increased by two professional positions and one clerical position.

ARTICLE 5

DEPARTMENT OF EDUCATION

Section 1. Laws 1987, chapter 398, article 5, section 2, subdivision 12, is amended to read:

Subd. 12. [COMPREHENSIVE ARTS PLANNING PROGRAM.] For technical assistance for the comprehensive arts planning program according to Minnesota Statutes, section 129B.21, there is appropriated:

\$37,500 1988,

\$37,500 1989.

Any unexpended fund balance remaining from the appropriations in this subdivision for 1988 does not cancel and is available for the second year of the biennium.

Sec. 2. [REGIONAL PUBLIC LIBRARY DISTRICT RECOMMENDATIONS.]

By December 1, 1988, the department of education, in consultation with the department of revenue, shall make recommendations to the governor and the legislature about the organization, financing, and formation of regional public library districts.

Sec. 3. [INFORMATION ON CATEGORICAL PROGRAMS.]

By January 15, 1989, the department of education shall provide to the education committees of the legislature information on how school districts have allocated the revenue reserved for categorical programs under Minnesota Statutes 1987 Supplement, section

124A.27. This information is to include a list of categorical programs that have been funded and the amount of additional resources that have been allocated for categorical programs compared to funding for these categorical programs in previous years.

Sec. 4. [MINNESOTA ACADEMIC EXCELLENCE FOUNDATION.]

Beginning in fiscal year 1990, the Minnesota academic excellence foundation shall arrange funding for the unreimbursed expenses of school districts participating in the national bicentennial competition on the constitution and bill of rights.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for fiscal years ending June 30 in the years designated.

Subd. 2. [EMERGING USES OF TECHNOLOGY.] For collection and dissemination of information on emerging uses of technologies in education, there is appropriated:

\$20,000 1989.

Subd. 3. [COMPUTER USE BY TEACHERS.] For research, development, and dissemination on usage of computers by teachers, there is appropriated:

\$40,000 1989.

Subd. 4. [HUTCHINSON SCHOOL DISTRICT.] To reimburse independent school district No. 423, Hutchinson, for expenses actually incurred in participating in the national bicentennial competition on the Constitution and Bill of Rights, there is appropriated:

\$12,000 1988.

Subd. 5. [EDUCATIONAL EFFECTIVENESS.] To provide increased services for educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609, there is appropriated:

\$500,000 1989.

This sum is added to the sum appropriated in Laws 1987, chapter 398, article 5, section 2, subdivision 9.

The department of education general fund complement in the staff development unit of the division of instruction is increased by one professional position and one clerical position to meet increased department obligations under Minnesota Statutes, sections 121.608 and 121.609.

Subd. 6. [TEACHER LICENSING.] For teacher licensing, according to Minnesota Statutes, section 125.08, there is appropriated:

\$90,000 1989.

The appropriation is available to reimburse costs in both years of the biennium.

Subd. 7. [SUBURBAN DISTRICT MANAGEMENT ASSISTANCE.] For management assistance to suburban school districts, there is appropriated:

\$100,000 1989.

This appropriation shall be available for joint planning to study the impact of merging suburban school district resources to expand student educational opportunities. Any study must involve urban school districts, and the community, parents, teachers, students, and administrators.

Sec. 6. [APPROPRIATION; HIGHER EDUCATION COORDINATING BOARD.]

There is appropriated from the general fund to the higher education coordinating board \$30,000 for the fiscal year ending June 30, 1989, to support the activities of the task force on instructional technology established in Laws 1987, chapter 401, section 35.

Sec. 7. [EFFECTIVE DATE.]

Section 5, subdivision 4, is effective the day following final enactment.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1986, section 120.06, is amended by adding a subdivision to read:

Subd. 3. [PUPILS, AT LEAST 21 YEARS OF AGE.] In addition to those admitted under subdivision 1, admission to a public secondary

school is free to a person who is eligible under this subdivision. In order to be eligible, a person must be:

- (1) at least 21 years of age;
- (2) a resident of the district where the secondary school is located;
and
- (3) eligible according to section 12.

Free admission is limited to two school years or the equivalent, or until the pupil completes the courses required to graduate, whichever is less.

Sec. 2. Minnesota Statutes 1987 Supplement, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN.] Every district shall provide special instruction and services, either within the district or in another district, for handicapped children who are residents of the district and who are handicapped as set forth in section 120.03. Special instruction and services must be provided from birth until September 1 after the handicapped child becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 126.22, subdivision 2. Local health, education, and social service agencies shall refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for handicapped children. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 3. Minnesota Statutes 1986, section 121.11, subdivision 12, is amended to read:

Subd. 12. [ADMINISTRATIVE RULES.] The state board shall adopt and enforce rules, consistent with this code, appropriate for the administration and enforcement thereof. The state board shall not adopt any rule requiring AIDS education in school districts. Notwithstanding the provisions of section 14.05, subdivision 4, the state board may grant a variance to its rules upon application by a school district for purposes of implementing experimental programs in learning or school management which attempt to make better use of community resources or available technology.

Sec. 4. Minnesota Statutes 1986, section 121.15, subdivision 7, is amended to read:

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the population proposed to be served, including census findings and projections of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the capital expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) so far as is known, existing facilities within the area to be served that offer the same or similar service; the extent existing facilities or services are used; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anticipated effect that the proposal will have on existing facilities and services;

(f) the anticipated benefit to the area that will result from the facility;

(g) if known, the relationship of the proposed construction to any priorities which have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; ~~and~~

(i) desegregation requirements that cannot be met by any other reasonable means; and

(j) the relationship of the proposed facility to the cooperative integrated learning needs of the area.

Sec. 5. [121.203] [TRAINING AND PROFESSIONAL DEVELOPMENT; PROGRAM DEVELOPMENT.]

Subdivision 1. [REGIONAL TRAINING PROGRAMS.] The department of education shall provide training and professional development on a regional basis, accessible to school board members,

administrators, teachers, professional student services staff, and nonprofessional staff.

The department may fund regional professional development and training pilot programs to determine whether a regional approach is an appropriate method for program delivery in the future.

Subd. 2. [AIDS PREVENTION AND RISK REDUCTION.] The department of education shall assist districts in developing and implementing an AIDS prevention and risk reduction program. The program must include the development and dissemination of planning materials, guidelines, and other information and a comprehensive curriculum.

Subd. 3. [HEALTH AND WELLNESS.] The department of education shall assist districts with a health and wellness training program that is consistent with the curriculum developed under Minnesota Laws 1987, chapter 398, article 5, section 2, subdivision 7.

Subd. 4. [SUICIDE AND STRESS PREVENTION.] The department of education shall assist districts in developing and implementing a suicide prevention and stress reduction program. The programs must be coordinated with existing suicide prevention and intervention programs of state and local agencies.

Sec. 6. [121.204] [HEALTH RELATED PROGRAMS.]

Subdivision 1. [DUTIES.] The department of education shall:

(1) administer the AIDS aid program and the professional development and training program;

(2) approve or disapprove of local education agency plans;

(3) provide coordination and planning service to a regional pilot program for professional development and training;

(4) collaborate with the department of health and other state agencies and organizations that are addressing AIDS prevention;

(5) contract for the evaluation; and

(6) assist the ECSUs in planning these programs.

Subd. 2. [COLLABORATION.] The department of health and the department of education shall promote collaboration among public health agencies and education agencies in AIDS prevention efforts.

Sec. 7. [122.97] [EDUCATION DISTRICT REVENUE.]

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district revenue if the department certifies that it meets the requirements of section 122.91, subdivision 3. The pupil units of a district in which a levy is certified according to section 136D.27, 136D.74, subdivision 2, or 136D.87 must not be used in calculating education district revenue.

Subd. 2. [REVENUE.] Education district revenue is \$60 per actual pupil unit in the participating school districts of an education district.

Subd. 3. [LEVY.] An eligible education district may levy the lesser of its education district revenue or 1.3 mills times the adjusted assessed valuation of the districts that are members of an education district. The education district board shall certify to the county auditor or county auditors each year the amount of taxes levied under this section.

Subd. 4. [AID.] Education district aid equals education district revenue minus the education district levy. If an education district levies less than 1.3 mills, its aid is prorated by the ratio of its actual levy to 1.3 mills.

Subd. 5. [USE OF REVENUE.] Education district revenue must be used by the education district board for programs provided according to section 122.94.

Subd. 6. [REVENUE; SECONDARY VOCATIONAL.] A secondary vocational cooperative established according to section 123.351 is eligible for revenue equal to one-third of education district revenue times the number of actual pupil units in the participating districts providing that the cooperative meets the size requirements specified in section 122.91, subdivision 3 and that the cooperative offers programs authorized under section 123.351, subdivision 4, paragraph (b), clause (1) and either clause (2) or (3). To be eligible for this revenue, the board of the cooperative must make a levy equal to one-third of the education district levy times the adjusted assessed valuation of the districts that are members of the cooperative. The cooperative board shall certify to the county auditor or county auditors the years and amounts of taxes levied under this subdivision. The pupil units of a district in which a levy is certified according to section 136D.27, 136D.74, subdivision 2, or 136D.87 must not be used in calculating revenue under this subdivision.

Sec. 8. Minnesota Statutes 1986, section 123.3514, is amended by adding a subdivision to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses that were taken for secondary credit by

pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of 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 of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's resident district. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 2 only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 9. Minnesota Statutes 1986, section 124.17, is amended by adding a subdivision to read:

Subd. 2e. [AVERAGE DAILY MEMBERSHIP, PUPILS AGE 21 OR OVER.] The average daily membership for pupils age 21 or over, is equal to the ratio of the number of yearly hours that the pupil is in membership to the number of instructional hours in the district's regular school year.

Sec. 10. [124.261] [ADULT HIGH SCHOOL GRADUATION AID.]

Adult high school graduation aid for eligible pupils age 21 or over, equals an allowance of \$1,765 times the average daily membership under section 9. Adult high school graduation aid must be paid in addition to any other aid to the district. Average daily membership of eligible pupils must not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of adult high school graduation aid.

Sec. 11. [124.262] [HEALTH-RELATED AID FOR SCHOOL DISTRICTS.]

Subdivision 1. [ELIGIBILITY.] A school district with an AIDS

prevention and risk reduction program approved by the department is eligible for aid.

Subd. 2. [AMOUNT.] The state shall pay \$1 per resident public school pupil, and participating nonpublic school pupil, but not less than \$500 per district.

If nonpublic school participation is limited to part of the program, aid must be prorated. Aid must not be paid directly to a nonpublic school or sectarian organization. Services may be provided at a neutral site if the providing school district considers it convenient for the program participants.

Subd. 3. [POOLING, CONTRACTING.] A school district may cooperate with an ECSU or other districts in offering a program and may pool the aid from cooperating districts. A district may contract with nonsectarian agencies or organizations to offer all or part of its program.

Subd. 4. [USE OF FUNDS.] A district may use its AIDS aid for:

- (1) in-service training for public and nonpublic school staff;
- (2) AIDS prevention, instruction, and student support services including materials;
- (3) community and parent awareness programs;
- (4) joint planning with public health agencies or community groups involved in AIDS prevention or intervention; and
- (5) evaluation of programs for AIDS prevention.

The department shall encourage schools to develop programs which indicate that abstinence from sexual intercourse is the most reliable means of preventing the sexual transmission of AIDS.

Subd. 5. [ECSUS.] If a district does not have an approved program, the ECSU of which that district is a member may receive a grant for an approved program to prepare communities for AIDS prevention programs.

Subd. 6. [CRITERIA FOR PROGRAM APPROVAL.] Each approved program must include at least the following:

- (1) in-service training of professional and nonprofessional staff through a department sponsored training session;
- (2) targeting adolescents, especially those who may be at high risk of AIDS, for prevention efforts;

(3) using peer group or other methodologies designed to modify behavior;

(4) involving parents and other adults from the community;

(5) developing or updating policies for including AIDS infected students and personnel in school and education sponsored programs;

(6) designing services to minimize crises when a student or school staff member has an AIDS virus infection;

(7) collaborating with the department of health and the department of education to assure accuracy of information relating to AIDS; and

(8) collaborating with other agencies or organizations in the community to address AIDS prevention.

Subd. 7. [ADDITIONAL FUNDING SOURCES.] Districts and ECSUs may accept funds from other sources for AIDS prevention and risk reduction, including public health funds and foundations, and other private sources, department professional development funds, federal block grants, or other federal and state grants.

Subd. 8. [CURRICULUM.] A school district must submit its AIDS prevention and risk reduction curriculum for review and comment regarding technical accuracy to the local community health board.

Sec. 12. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENTS.] The following students pupils are eligible to participate in the high school graduation incentives program:

(a) any student pupil who is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for students pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been absent from attendance at school without lawful excuse for one or more class periods on more than 15 days in the preceding or current school year adjudicated a habitual truant as defined in section 260.015, subdivision 19;

(b) any student pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for students pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for students pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or has been assessed as chemically dependent; or

(d) any person who is at least 21 years of age and who:

(1) has already completed the studies ordinarily required in the 10th grade but has not completed the studies ordinarily required to graduate; and

(2) at the time of application either is eligible for, or an exhaustee of, unemployment compensation benefits, or whether employed or not, is eligible for or receiving other income maintenance and support services, as defined in section 268.0111, subdivision 5, or is eligible for services under the displaced homemaker program, state wage-subsidy program, or any of the titles of the federal Jobs Training Partnership Act (P.L. 97-300) or its successor legislation.

The provisions of section 127.29, subdivision 1, do not apply to pupils meeting the criteria of section 126.22, subdivision 2, clause (d) who participate in the high school graduation incentives program.

Sec. 13. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] ~~Students~~ Pupils who are eligible to participate under subdivision 2 may enroll in the following programs:

(a) Any program approved by the state board of education under Minnesota Rules, part 3500.3500 or according to section 121.11, subdivision 12, may enroll ~~students~~ pupils who are eligible to participate under subdivision 2, clause (a), (b) ~~or~~ (c)₂ or (d);

(b) Students Pupils eligible to participate under subdivision 2, clause (b) ~~or~~, (c), or (d) may enroll in post-secondary courses under section 123.3514; and

(c) Any public secondary education program may enroll any student pupil who is eligible to participate under subdivision 2, clause (a), (b) ~~or~~, (c), or (d).

An eligible institution providing eligible programs as defined in this subdivision may contract with an entity providing adult basic education programs under the community education program contained in section 121.88 for actual program costs.

Sec. 14. [129B.75] [PROGRAM AND PLANNING GRANTS TASK FORCE; GRANTS.]

Subdivision 1. [PLANS AND PROGRAMS.] The commissioner of education shall encourage groups of school districts to develop plans and implement programs for cooperative integrated learning. The plans must include at least the following:

(1) involvement of two or more districts, one of which must be a district implementing a desegregation plan approved by the state board of education;

(2) increased opportunities for students of differing racial and cultural backgrounds to voluntarily participate in integrated programs; and

(3) involvement of an advisory committee of parents, teachers, administrators, and members of the community, representing a racial and cultural cross section of the community, in the program design.

Subd. 2. [PROGRAM AND PLANNING GRANTS.] The commissioner of education shall award grants to groups of school districts working to develop cooperative integrated learning opportunities for their students. Grants are available for:

(1) implementing programs such as magnet schools, teacher exchanges, youth leadership programs, paired classrooms, open enrollment agreements, and international baccalaureate programs;

(2) developing programs requiring longer range planning; or

(3) student transportation and staff planning costs.

Subd. 3. [INFORMATION.] The commissioner shall provide residents of the seven county metropolitan area with information about integration, including the needs for integration, the benefits of

integration, and the alternatives for achieving integration. The commissioner may enter into contracts for public relations and advertising services to accomplish the purposes of this subdivision.

Sec. 15. [145.924] [HEALTH-RELATED PROGRAMS.]

Subdivision 1. [DUTIES.] To assist the department of education in implementing an AIDS prevention and risk reduction program, the department of health shall:

(1) consult with the department of education to approve district and regional plans;

(2) provide consultation to the department of education regarding the relationship of the AIDS prevention and risk reduction efforts of the education system and other systems; and

(3) provide technical assistance at the state and regional levels to assure accuracy of AIDS information for use by the education system.

Subd. 2. [COLLABORATION.] The department of health and the department of education shall promote collaboration among public health agencies and education agencies in AIDS prevention efforts.

Sec. 16. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 6i. [DESEGREGATION LEVY.] In 1988, independent school districts No. 625, St. Paul, and 709, Duluth, and special school district No. 1, Minneapolis may levy for desegregation programs an amount equal to the total desegregation expenditures in the district in the general and capital funds for the 1988-1989 school year as reported to the department of education minus any revenue, including state grants, received by the district for desegregation programs.

Notwithstanding section 121.904, the entire amount of this levy shall be recognized in the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 17. Laws 1987, chapter 398, article 1, section 27, subdivision 3, is amended to read:

Subd. 3. [JUNE 30, 1988.] Minnesota Statutes 1986, sections 124.17, subdivisions 1a and 2d; 124.2161; 124.2162; 124.2163; 124.246; 124.247; 124.272; 124.275; 124A.01; 124A.02, subdivisions 5, 6, 9, 11, 12, and 13; 124A.035, subdivision 1; 124A.06, subdivisions 1, 1a, 1b, 2, and 4; 124A.08, subdivisions 1, 2, 4, and 5;

124A.10, subdivisions 1, 2, and 4; 124A.12, subdivisions 1, 2, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, and 6; 124A.16; 124A.20, subdivisions 1 and 3; 124A.21; 126.031, subdivision 2; 126.60; 126.62; 126.64; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 129B.67 are repealed June 30, 1988.

Sec. 18. Laws 1987, chapter 398, article 6, section 19, subdivision 7, is amended to read:

Subd. 7. [GIFTED AND TALENTED AID.] For aid for gifted and talented education programs according to Minnesota Statutes, section 124.247, there is appropriated:

\$1,372,500 1988,

~~\$205,900~~ \$1,374,700 1989.

The appropriation for aid for fiscal year 1988 includes \$205,700 for aid for fiscal year 1987 payable in fiscal year 1988 and \$1,166,800 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes \$205,900 for aid for fiscal year 1988 payable in fiscal year 1989 and \$1,168,800 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of \$1,372,700 for fiscal year 1988 and \$1,375,000 for fiscal year 1989.

Sec. 19. [APPROPRIATION, LAC.]

There is appropriated from the general fund to the legislative audit commission \$75,000 for a comprehensive study of program and administrative costs associated with desegregation.

Sec. 20. [APPROPRIATION, LCPE.]

There is appropriated from the general fund to the legislative commission on public education the sum of \$25,000 for the commission to complete a study on education assessment and accountability measures including a governor's scholarship test and grants for post-secondary tuition as a recognition of achievement.

Sec. 21. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [METROPOLITAN DESEGREGATION.] For implementation of metropolitan area desegregation programs, according to section 14, there is appropriated:

\$1,500,000 1989.

Of this amount, up to \$300,000 may be used for planning purposes, up to \$50,000 may be used for public relations and advertising costs, and up to \$118,000 may be used for administrative expenses. All remaining money must be used for program grants.

The complement of the department of education is increased by one professional and one clerical position.

Subd. 3. [ADULT HIGH SCHOOL GRADUATION AID.] For adult high school graduation aid, there is appropriated:

\$1,500,000 1989.

If the appropriation is insufficient, the aid must be prorated.

Subd. 4. [DESEGREGATION GRANTS.] For grants to districts implementing desegregation plans, there is appropriated:

\$12,000,000 1989.

Of this amount \$6,004,200 is for special school district No. 1, Minneapolis, \$5,127,400 is for independent school district No. 625, St. Paul, and \$868,400 is for independent school district No. 709, Duluth. To receive a grant, a district must continue to report desegregation costs according to uniform financial accounting and reporting standards.

Subd. 5. [SATURN SCHOOL.] For a grant to independent school district No. 625, St. Paul, for a technology intensive school, there is appropriated:

\$200,000 1989.

All pupils in the state must have access to the school.

Sec. 22. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 275.125, subdivision 6e, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 17 is effective the day following final enactment.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 1986, section 92.06, subdivision 4, is amended to read:

Subd. 4. [IMPROVEMENTS, WHEN PAYMENT NOT NECESSARY.] If a person has made improvements to the land and if the commissioner believes that person settled the land in good faith as homestead land under the laws of the United States before it was certified to the state, or if the improvements were lawfully made by that person as a lessee of the state, then the value of the improvements must be separately appraised and, if the settler or lessee purchases the land, the settler or lessee is not required to pay for the improvements. If another person purchases the land, that person must pay the state at the time of sale, in addition to all other required payments, the appraised amount for the improvements. The Payment for improvements must be made within 30 days of the date of sale, either in cash or upon terms and conditions agreeable to the owner of the improvements. If payment for improvements is not made in cash, and terms and conditions for payment are not agreed upon within 30 days of the date of sale, the sale is void and the commissioner may reoffer the land for sale at any subsequent sale. Any amount received by the state for the improvements must be paid to the settler or lessee or heirs, representatives, or assigns of the settler or lessee. Payment must be made by warrant drawn by the commissioner of finance upon the state treasurer. Amounts received for the improvements are appropriated for making the payments.

This subdivision does not apply unless the person seeking its benefit makes a verified application to the commissioner showing entitlement to it before the first state public sale at which the land is offered for sale. The applicant must appear at the sale and offer to purchase the land for at least its appraised value including all timber on it, and make the purchase if no higher bid is received. Actions or other proceedings involving the land in question begun before the sale must have been completed.

Sec. 2. Minnesota Statutes 1986, section 92.14, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL ADVERTISING OF LAND SALES.] In addition to posted notice of land sales required by subdivisions 1 and 2 of this section, the commissioner shall publicize land sales in

Minnesota and elsewhere to the greatest extent possible, consistent with available appropriations for that purpose.

Sec. 3. Minnesota Statutes 1987 Supplement, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be made for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

(1) method of appraising the property;

(2) determination of lease rates; and

(3) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1987, 1988, 1989, 1990, 1991, and 1992, the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school fund is hereby appropriated to survey, appraise, and pay associated selling costs of lots as required in

section 92.67, subdivision 3. The money appropriated may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit the costs recovered in into the permanent school fund and an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot. Notwithstanding section 92.67, subdivision 4, as to requests for sale of lakeshore lots received before January 1, 1987, the commissioner shall hold the sale before October 31, 1987, if possible, and, if not possible, the lots shall be offered for sale at the next sale in the succeeding year.

Sec. 4. Minnesota Statutes 1987 Supplement, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, 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 December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by July 1, 1992. The lessee making the request may designate the lesser of \$500 or the lease payment in the year the request is made to be used as part of the down payment December 31, 1993, subject to section 92.67, subdivision 3, clause (d). 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.

Sec. 5. Minnesota Statutes 1987 Supplement, section 92.67, subdivision 3, is amended to read:

Subd. 3. [APPRAISERS; ALLOCATION OF APPRAISAL AND SURVEY COSTS.] (a) The For appraisals made before the effective date of this section, a lessee requesting the sale may select a person who meets the minimum appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration 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. If the lessee or lessees do not select an appraiser, the commissioner of natural

resources shall select the appraiser. An appraisal prepared by a person who meets the minimum appraisal standards established by the Farmers Home Administration or the federal Veterans Administration, but who is not included on the list of appraisers approved by the commissioner of administration for the appraisal of state property, must be reviewed by an appraiser selected by the commissioner of natural resources from the commissioner of administration's list of approved appraisers. If, upon conclusion of this review, the commissioner of natural resources determines that the appraisal under review does not meet state appraisal standards, the commissioner shall reject the appraisal and have the property reappraised by an appraiser selected from the list approved by the commissioner of administration.

For appraisals made on and after the effective date of this section, all appraisals of lots offered for sale shall be performed by persons selected by the commissioner who are included on the list of appraisers approved by the commissioner of administration for the appraisal of state property. A lessee requesting a sale may recommend to the commissioner a person from the approved list to appraise the property to be sold. The commissioner shall supply the approved list to any lessee upon request.

(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 up to \$700 for each lot appraised. If there are no successful bidders on a lot, the commissioner is responsible for the appraisal cost allocated to that lot.

(c) The commissioner shall survey a lot prior to offering it for sale. The commissioner is responsible for the survey cost.

(d) The lessee may stop the sale process after the appraisal but before the sale. The lessee must reimburse the commissioner for the cost of the appraisal if the sale is stopped. If a lessee disagrees with the appraised value of the lessee's improvements, the lessee may select an appraiser from the approved list of appraisers to reappraise the improvements. The lessee is responsible for the cost of this reappraisal. If the commissioner and the lessee fail to agree on the value of the improvements within 180 days of the date an appraisal is performed, the commissioner shall offer the lot for sale at the higher appraised value or the county assessor's estimated market value, whichever is greater.

Sec. 6. Minnesota Statutes 1987 Supplement, section 92.67, subdivision 4, is amended to read:

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 not later than by October 31, 1987, if possible. However, if a lot is not offered for sale by that date, the lot shall be offered for sale at the next sale in the next year;

(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;

(3) notwithstanding clause (2), the commissioner may offer a lot for sale in the year the request is received if the commissioner will offer for sale in that year other lots platted with the late requested lot;

(4) notwithstanding clause (2), if more than 50 percent of the lessees in a platted area request by December 31 of a calendar year that their lots be offered for sale, the commissioner shall offer for sale at one time during June, July, or August of the following year all lots in a platted area. If a lessee, whose lot is located in a plat where more than 50 percent of the lessees request that their lots be offered for sale, requests in writing that the lessee's lot not be offered for sale, the commissioner may not offer the lot for sale until 1993; and

(5) lots that are unsold for any reason at the end of 1993 shall be offered for sale beginning in 1994 and each year thereafter until sold.

(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.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee at the time of the sale, in the manner provided in section 92.06, subdivision 4, 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 may be reoffered for sale as provided in section 92.06, subdivision 4.

Sec. 7. Minnesota Statutes 1986, section 92.67, subdivision 5, is amended to read:

Subd. 5. [TERMS OF SALE.] For the sale of the public lands under this section, the purchaser shall pay the state ten percent of the purchase price at the time of the sale. The balance must be paid in no more than 20 equal annual installments. The interest rate on the remaining balance shall be eight percent per year at the rate in effect at the time of the sale under section 549.09.

Sec. 8. Minnesota Statutes 1986, section 120.075, subdivision 1a, is amended to read:

Subd. 1a. Any pupil who, pursuant to section 123.39, subdivision 5, has continuously been enrolled since January 1, 1977 in a school district of which the pupil was not a resident may continue in enrollment in that district, and that district shall be considered the pupil's district of residence.

Sec. 9. Minnesota Statutes 1986, section 120.075, subdivision 3, is amended to read:

Subd. 3. Any pupil enrolled on either January 1, 1978, or April 5, 1978, in a nonpublic school, as defined in section 123.932, subdivision 3, located in a district of which the pupil was not a resident who would otherwise have qualified for enrollment in that district as a resident pursuant to subdivision 1 may attend the public schools of that district as a resident.

Sec. 10. Minnesota Statutes 1986, section 120.075, is amended by adding a subdivision to read:

Subd. 5. General education aid, capital expenditure aid, and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 34, 30, and 31, respectively.

Sec. 11. Minnesota Statutes 1986, section 120.0751, subdivision 1, is amended to read:

Subdivision 1. The state board of education may permit a pupil who enrolls to enroll in a school district of which the pupil is not a resident to be deemed a resident pupil of that district pursuant to under this section.

Sec. 12. Minnesota Statutes 1986, section 120.0751, is amended by adding a subdivision to read:

Subd. 6. [AID.] General education aid; capital expenditure aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 34, 30, and 31, respectively.

Sec. 13. Minnesota Statutes 1986, section 120.0752, subdivision 1, is amended to read:

Subdivision 1. A pupil may enroll in a school district of which the pupil is not a resident and be deemed a resident pupil of that district pursuant to under this section.

Sec. 14. Minnesota Statutes 1987 Supplement, section 120.0752, subdivision 3, is amended to read:

Subd. 3. [11TH AND 12TH GRADE STUDENTS.] Notwithstanding subdivision 2, an 11th or 12th grade pupil who has been enrolled in a district for at least three consecutive years and whose parent or guardian moves to another district, may continue to enroll in the nonresident district upon the approval of the school board of the nonresident district. The approval of the school board of the pupil's resident district is not required. The pupil shall be considered a resident of the district in which that student is enrolled.

Sec. 15. Minnesota Statutes 1986, section 120.0752, is amended by adding a subdivision to read:

Subd. 4. General education aid, capital expenditure aid, and transportation aid for pupils covered by programs under this section must be paid according to sections 34, 30, and 31, respectively.

Sec. 16. [120.105] [EDUCATION STATEMENT.]

Subdivision 1. [STATEMENT CONTENTS.] Beginning with the 1988-1989 school year and continuing each school year thereafter, every public school offering a kindergarten program must ensure that the school principal, kindergarten teacher, or other professional, read and explain the following statement to every parent, guardian, or other person enrolling a child in kindergarten:

"The state of Minnesota requires that every child entering kindergarten this school year must graduate from high school or remain in high school until age 18. Only those who have been accepted in the military or an institution of higher learning can leave school before they are 18 years old.

Because of the rapid rate of technological and social change, a high school education will be necessary for those who will live and work in the twenty-first century.

Each parent, guardian, or other person responsible for a child enrolled in school is responsible for working with school personnel to help create the best possible learning environment for the child. School personnel will give their best effort to educate your child.

We understand this statement and our responsibilities."

The form shall include signature and date lines.

Subd. 2. [STATEMENT DISTRIBUTION AND RETENTION.] The department of education must print and distribute to the school districts a formal document in sufficient numbers so that a copy is

available for every child being enrolled in a public school kindergarten. The parent, guardian, or other person responsible for the child shall keep the original. The local school must indicate on each child's school record when the education statement was read and explained and whether the statement was signed.

The department must make appropriate provisions to accommodate those children who newly enroll in a district after kindergarten.

Sec. 17. Minnesota Statutes 1987 Supplement, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] For the 1988-1989 school year and the school years thereafter, every child between seven and 16 years of age shall receive instruction for at least 170 days each year. For the 2000-2001 school year and later school years, every child between seven and 18 years of age shall receive instruction for at least 170 days each year. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to 170 half days. A parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 18. Minnesota Statutes 1987 Supplement, section 120.101, subdivision 9, is amended to read:

Subd. 9. [LEGITIMATE EXEMPTIONS.] A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) That the child's bodily or mental condition is such as to prevent attendance at school or application to study for the period required; or

(2) That for the school years 1988-1989 through 1999-2000 the child has already completed the studies ordinarily required in the tenth grade and that for the school years beginning with the 2000-2001 school year the child has already completed the studies ordinarily required to graduate from high school; or

(3) That it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a

school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction shall be conducted and maintained in a place other than a public school building, and in no event, in whole or in part, shall be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

Sec. 19. Minnesota Statutes 1986, section 123.35, subdivision 8, is amended to read:

Subd. 8. The board may establish and maintain public evening schools and adult and continuing education programs and such evening schools and adult and continuing education programs when so maintained shall be available to all persons over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who, from any cause, are unable to attend the full-time elementary or secondary schools of such district.

Sec. 20. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) An enrollment options program for school districts, in which a school district may voluntarily participate, is established. A participating district must include all grade levels offered by the district. By formal resolution, a participating district must agree to:

- (1) allow its resident pupils to enroll in other participating districts;
- (2) accept nonresident pupils from other participating districts; and
- (3) follow the procedures in this section.

(b) A nonparticipating district shall notify the commissioner each year by September 15 whether it will participate 30 of its participation in the program during the following school year. For the 1987-1988 school year, a district must notify the commissioner by July 1, 1987. A participating district shall notify the commissioner by September 30 of its withdrawal from participation in the program for the following school year.

Sec. 21. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 2, is amended to read:

Subd. 2. [PUPIL APPLICATION.] A pupil who resides in a participating district may enroll according to this section in a participating nonresident district. The pupil's parent or guardian must apply to the nonresident district on a form provided by the department of education. The application must be submitted to the nonresident district by ~~December 1~~ January 5 for enrollment during the following school year. ~~For the 1987-1988 school year, an application must be submitted by August 1, 1987.~~

Sec. 22. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT DISTRICT PROCEDURES.] Within ten days of receiving an application, a nonresident district shall notify the resident district that it has received the application. The nonresident district shall notify the parent or guardian and the resident district by February 1 whether the pupil's application has been approved or disapproved. ~~For the 1987-1988 school year, notification must occur by August 10, 1987.~~

Sec. 23. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 5, is amended to read:

Subd. 5. [RACIAL BALANCE.] A school district that has a desegregation plan may limit the number of pupils who transfer into or out of the district. An application to transfer into or out of a desegregation district shall be submitted to that district by ~~November~~ December 1 of each year for enrollment during the following school year. ~~For the 1987-1988 school year, an application must be submitted by August 1, 1987.~~ If approval of all of the applications would result in the district being out of compliance with its desegregation plan, the district shall establish the number of majority and minority group pupils who may transfer into or out of the district. The district may approve or disapprove the applications in a manner that will enable compliance with the desegregation plan. The district shall notify the parent or guardian by ~~November~~ December 20 whether the pupil's application has been approved or disapproved. ~~For the 1987-1988 school year, notification must occur by August 10, 1987.~~

Sec. 24. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 6, is amended to read:

Subd. 6. [TRANSPORTATION.] ~~The nonresident district shall provide transportation within that district for nonresident pupils enrolled under this section. The state shall pay transportation aid to the district according to section 124.225. The resident district is not required to provide or pay for transportation between a pupil's residence and the border of the nonresident district.~~

A parent or guardian may apply to the nonresident district for

reimbursement for transportation costs between the pupil's residence and the border of the nonresident district. The state board shall establish guidelines for reimbursing the transportation costs based on financial need. Chapter 14 does not apply to the guidelines.

Sec. 25. Minnesota Statutes 1987 Supplement, section 123.3515, subdivision 9, is amended to read:

Subd. 9. [AID.] Payment of foundation aid or general education aid for pupils enrolled in a nonresident district must be made according to section 124A.036, subdivision 5 General education aid, capital expenditure aid, and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 34, 30, and 31, respectively.

Sec. 26. Minnesota Statutes 1987 Supplement, section 123.3515, is amended by adding a subdivision to read:

Subd. 10. [WAIVER.] The commissioner, upon mutual agreement of the affected districts, may waive the deadline for an application if the waiver will allow additional pupils to participate in the program. A waiver of a deadline to notify parents or guardians whether a pupil's application has been approved or disapproved is not effective unless the parents or guardians agree to the waiver. Districts shall report to the commissioner those waiver requests that are denied and the reason for the denial.

Sec. 27. Minnesota Statutes 1986, section 124.18, subdivision 2, is amended to read:

Subd. 2. [TUITION.] Except as otherwise provided in law, every district which provides instruction in other districts and which receives foundation program aid shall pay to the district furnishing this elementary and secondary school instruction the actual cost thereof chargeable to maintenance exclusive of transportation costs.

There shall also be paid for capital outlay and debt service to the district providing such instruction \$10 per pupil unit in average daily membership for each nonresident pupil unit, except that every district educating nonresident pupils may charge and include in its tuition, for capital outlay and debt service, an amount per pupil unit in average daily membership based on the amount that the average expenditure for capital outlay and debt service determined by dividing such annual expenditure by the total number of pupil units in average daily membership in the district exceeds \$10 per pupil unit. If the district has no capital outlay or debt service the district receiving such funds may use them for any purpose for which it is authorized to spend money. Provided further that if a district provides instruction for nonresident handicapped and trainable children, tuition shall be as specified in section 120.17, subdivision 4.

Sec. 28. Minnesota Statutes 1986, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon the changed valuations, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding October according to the following:

(i) sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23 if the district is entitled to basic foundation receives general education aid according to that section 124A.02;

(ii) section 124A.10, subdivision 3a, if the district is entitled to third tier aid according to section 124A.10, subdivision 4;

(iii) sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a, if the district is eligible for fourth tier aid according to section 124A.12, subdivision 4;

(iv) sections 124A.03, subdivision 4, and 275.125, subdivision 2j, if the district is entitled to summer school aid according to section 124.201; and

(v) (ii) section 275.125, subdivisions 5 and 5c, if the district is entitled to receives transportation aid according to section 124.225, subdivision 8a;

(iii) section 124.244, if the district receives capital expenditure aid according to that section;

(iv) section 275.125, subdivision 11c, if the district receives hazardous substance aid according to section 124.245;

(v) section 275.125, subdivision 8, clauses (a) and (b), if the district receives community education aid according to section 124.271;

(vi) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; and

(vii) section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;

(b) to the total amount of the district's certified levy in the preceding October 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, plus or minus auditor's adjustments.

Sec. 29. Minnesota Statutes 1987 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid entitlements and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23 if the school district is entitled to basic foundation receives general education aid according to that section 124A.02;

(ii) sections 124A.10, subdivision 3a, and 124A.20, subdivision 2, if the school district is entitled to third-tier aid according to section 124A.10, subdivision 4;

(iii) sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a, if the school district is eligible for fourth-tier aid according to section 124A.12, subdivision 4;

(iv) section 124A.03, subdivision 4, if the school district is entitled to summer school aid according to section 124.201; and

(v) (ii) section 275.125, subdivisions 5 and 5c, if the school district is entitled to receives transportation aid according to section 124.225, subdivision 8a;

(iii) section 124.244, if the district receives capital expenditure aid according to that section;

(iv) section 275.125, subdivision 11c, if the district receives hazardous substance aid according to section 124.245;

(v) section 275.125, subdivision 8, clauses (a) and (b), if the district receives community education aid according to section 124.271;

(vi) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711; and

(vii) section 275.125, subdivision 6f, if the district receives exceptional need aid according to section 124.217;

(B) to the total amount of the school district's certified levy for the fiscal year 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, 124A.20, subdivision 2, and 275.125, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 30. Minnesota Statutes 1986, section 124.225, is amended by adding a subdivision to read:

Subd. 81. [ALTERNATIVE ATTENDANCE PROGRAMS.] A district that serves nonresident pupils in programs under sections 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55 shall provide authorized transportation to the pupil within the attendance area for the school that the pupil attends. The state shall pay transportation aid attributable to the pupil to the serving district according to this section. The district of the pupil's residence need not provide or pay for transportation between the pupil's residence and the district's border.

Sec. 31. Minnesota Statutes 1986, section 124.245, is amended by adding a subdivision to read:

Subd. 6. [ALTERNATIVE ATTENDANCE PROGRAMS.] The capital expenditure aid for districts must be adjusted for each pupil attending a nonresident district under sections 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55. The adjustments must be made according to this subdivision.

(a) Capital expenditure aid paid to a district of the pupil's residence must be reduced by an amount equal to the revenue amount per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in nonresident districts.

(b) Capital expenditure aid paid to a district serving nonresidents in programs listed in subdivision 1 must be increased by an amount equal to the revenue amount per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in the district.

(c) If the amount of the reduction to be made from the capital expenditure aid of a district is greater than the amount of capital expenditure aid otherwise due the district, the excess reduction must be made from other state aids due the district.

Sec. 32. Minnesota Statutes 1987 Supplement, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic and continuing education program is a day or evening program offered by a district that is for people over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged for instruction subsidized under this section,

except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 33. Minnesota Statutes 1986, section 124A.036, subdivision 2, is amended to read:

Subd. 2. [DISTRICT WITHOUT SCHOOLS.] Except as otherwise provided in law, any district not maintaining classified elementary or secondary schools shall pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and shall receive foundation aid pursuant to this section on the same basis as other districts. The aid shall be computed as if the pupils were enrolled in the district of residence.

Sec. 34. Minnesota Statutes 1987 Supplement, section 124A.036, subdivision 5, is amended to read:

Subd. 5. [CERTAIN NONRESIDENTS ALTERNATIVE ATTENDANCE PROGRAMS.] The foundation general education aid for districts must be adjusted for each pupil attending a nonresident district under sections 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55. The adjustments must be made according to this subdivision.

(a) Foundation General education aid paid to a resident district must be reduced by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in a nonresident general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) Foundation General education aid paid to a nonresident district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in that general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

(c) If the amount of the reduction to be made from the foundation general education aid of the resident district is greater than the amount of foundation general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

Sec. 35. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 4, is amended to read:

Subd. 4. [STUDENT ENROLLMENT.] Any eligible student under subdivision 2 may apply to enroll in an eligible program under

subdivision 3, using the form specified in section 120.0752, subdivision 2. Notwithstanding section 120.0752, approval of the resident district is not required for an eligible student under subdivision 2 to enroll in a nonresident district which has an eligible program under subdivision 3 or an area learning center established under section 129B.52. A student enrolling in a program in a nonresident district under this section shall be considered a resident of that district.

Sec. 36. Minnesota Statutes 1987 Supplement, section 126.22, is amended by adding a subdivision to read:

Subd. 7. [AID ADJUSTMENTS.] General education aid, capital expenditure aid, and transportation aid attributable to a pupil covered by programs under this section must be paid according to sections 34, 30, and 31, respectively.

Sec. 37. [126.235] [PERSONALIZED LEARNING PLAN FOR TEEN PARENTS.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature to assist school age parents and pregnant women not in school in completing their education by providing them with an instructional program and support services designed to meet their particular needs.

Subd. 2. [DEVELOPMENT OF PERSONALIZED LEARNING PLAN.] A district must develop and monitor a written personalized learning plan reflecting the needs of the custodial school-age parent or pregnant woman as determined by a school based team.

Team members must include: a school administrator or designee, a designated classroom teacher, the school social worker assigned to the pupil, the pupil, an advocate of the pupil's choice and, if appropriate, the pupil's parent or guardian. The plan shall be developed in consultation with the county human service agency and the case manager of the employment and training program if the pupil receives such services.

The personalized learning plan must include a statement of the pupil's goals and a description of the educational services available to the pupil that enable the pupil to earn academic credit leading to a high school diploma or a GED. The plan should be tailored to the pupil's parental responsibilities and must be reviewed quarterly.

Sec. 38. Minnesota Statutes 1986, section 126.56, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

(1) be a United States citizen or permanent resident of the United States;

(2) be a resident of Minnesota;

(2) (3) attend an eligible program;

(3) (4) have completed at least one year of secondary school but not have graduated from high school;

(4) (5) have earned at least a B average during the semester or quarter prior to application, or have earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend; and

(5) (6) demonstrate need for financial assistance.

Sec. 39. Minnesota Statutes 1987 Supplement, section 129.121, subdivision 1, is amended to read:

Subdivision 1. The governing board of any high school may delegate the control, supervision and regulation of interscholastic athletics and other extracurricular activities referred to in section 123.38 to the Minnesota state high school league, a nonprofit incorporated voluntary association. Membership in said Minnesota state high school league shall be composed of such Minnesota high schools whose governing boards have certified in writing to the state commissioner of education that they have elected to delegate the control, supervision and regulation of their interscholastic athletic events and other extracurricular activities to said league. The Minnesota state high school league is hereby empowered to exercise the control, supervision and regulation of interscholastic athletics, musical, dramatic and other contests by and between pupils of the Minnesota high schools, delegated to it pursuant to this section. The Minnesota high school league may establish a policy or guidelines for the guidance of member high schools in the formation or alteration of athletic or other extracurricular conferences. Except as otherwise provided by subdivision 1a, the formation or alteration of conferences is voluntary.

The commissioner of education, or the commissioner's representative, shall be an ex officio nonvoting member of the governing body of the Minnesota state high school league, with the same rights and privileges as other members of its governing body. The governing board must include the following members: four members of the public, at least one of whom must be an American Indian, Asian, Black or Hispanic, and all of whom must be parents, appointed by the governor under section 15.0597; two members elected by the Minnesota association of secondary school principals; and 14 mem-

bers selected according to league bylaws. The board shall establish and adopt policies, make decisions on behalf of the league, and establish advisory committees necessary to carry out board functions. The terms, compensation, removal of members, and the filling of membership vacancies are governed by section 15.0575. Members of advisory committees shall be reimbursed only for expenses in the same manner as board members. The rules of said the league shall be exempt from the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62.

Employees of the league shall be reimbursed only for expenses as authorized by the commissioner's plan for state employees adopted under section 43A.18, subdivision 2. The league is specifically prohibited from having credit cards.

The executive director of the league shall have a department head expense account subject to the same limits and guidelines as those provided for the commissioner of education. The executive director shall expend money for entertainment or reimbursement of expenses of guests of the league only from this account.

The board shall establish a policy on the use of automobiles by league staff and shall show annually how league policy on the use of automobiles is the most cost-effective alternative available.

Sec. 40. Minnesota Statutes 1986, section 129.121, subdivision 2, is amended to read:

Subd. 2. Any school board is hereby authorized to expend moneys for and pay dues to the Minnesota state high school league and all moneys paid to such league, as well as moneys derived from any contest or other event sponsored by said league, shall be subject to an annual examination and audit by ~~a certified public accountant or the state auditor~~ legislative auditor's office.

Commencing September 1, 1988, and every year thereafter, the legislative auditor shall provide a financial and compliance audit to the legislature detailing the general financial condition and general status of the league as of July 31 of the year preceding the filing of the audit. Copies of the audit must be filed with the commissioner of education, the chairs of the house and senate education committees and the director of the legislative reference library. The audit must include the aggregate totals for all revenues and expenditures for the three preceding years and the current year and the percent and dollar difference in each of these four years. The following items must be audited in each instance: revenues from student activities, membership dues, publications, registration of officials and judges, interest, automobile sales, and other revenues including medals, refunds and reimbursements; and expenditures related to staff, the board of directors, student activities, capital outlay, office and other

expenditures including membership services. The league must pay the legislative auditor for the costs of the audit.

Sec. 41. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2a. [AFFIRMATIVE ACTION.] The league must adopt an affirmative action policy to ensure that employment positions within the league are equally accessible to all qualified persons and to eliminate the underutilization of protected groups as defined in section 43A.02, subdivision 33.

Sec. 42. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2b. [EQUITABLE COMPENSATION RELATIONSHIPS.] The league shall be treated as a political subdivision for purposes of sections 471.992 to 471.999, except that the league must report to the commissioner of employee relations by February 1, 1989, on its implementation plan. No cause of action against the league arises before August 1, 1989, for failure to comply with the requirements of sections 471.992 to 471.999.

Sec. 43. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2c. [DATA PRACTICES.] The collection, creation, receipt, maintenance, dissemination, or use of information by the league is subject to the provisions of chapter 13.

Sec. 44. Minnesota Statutes 1987 Supplement, section 129B.11, subdivision 1, is amended to read:

Subdivision 1. [PLANS; GRANT AWARDS.] The state board of education, ~~with the advice of the state curriculum advisory committee and the advisory committee on technology in education for projects involving technology,~~ shall make grants to groups of school districts to implement plans to improve education. The board shall consult with the state curriculum advisory committee and other appropriate groups. The board may award grants to groups of districts which submit plans that include at least the following:

(1) program and curriculum changes which provide more learning opportunities for students;

(2) demonstration of a local commitment to the plan and, in the case of plans utilizing technology, local financial support including public and private partnerships;

(3) involvement of school district teaching staff in development of the plan;

(4) demonstration that the plan is consistent with school district goals established under section 126.666; and

(5) the structural criteria established in subdivision 2.

The board may establish additional criteria and shall establish time lines and the grant application procedure for making grants.

Sec. 45. Minnesota Statutes 1987 Supplement, section 129B.11, is amended by adding a subdivision to read:

Subd. 2a. [INTENTION TO CONSOLIDATE.] A group of districts is eligible for a grant if each school board has adopted a resolution of intention to consolidate with the other districts in the group. If a grant is awarded to a group of districts under this subdivision, and if the group does not actually consolidate within 24 months of receiving the grant, the department of education shall withhold payment of all state aids until the amount of the grant has been recovered.

The state board of education may establish additional conditions to a grant awarded under this subdivision.

Sec. 46. Minnesota Statutes 1986, section 260.015, subdivision 19, is amended to read:

Subd. 19. [HABITUAL TRUANT.] "Habitual truant" means a child under the age of 16 years through the 1999-2000 school year and under the age of 18 beginning with the 2000-2001 school year who is absent from attendance at school without lawful excuse for seven school days if the child is in elementary school or for one or more class periods on seven school days if the child is in middle school, junior high school, or high school.

Sec. 47. [REPORT TO THE LEGISLATURE.]

The commissioner of employee relations shall report by January 15, 1989, to the chairs of the house and senate education committees and to the governing board of the Minnesota state high school league on the appropriate salary rate or range for the league director and the director's staff as if the positions were to be established in the state classified service.

Sec. 48. [APPOINTMENT.]

The governor shall make the initial appointments to the Minnesota state high school league's governing board before August 15,

1988. The governing board shall be fully constituted by August 30, 1988. The governor must begin the process of appointing four public members under Minnesota Statutes, section 15.0597, as soon as practicable after the effective date of this section to ensure that the governor's initial appointees are appointed to the board before August 15, 1988.

Sec. 49. [TASK FORCE ON SCHOOL DISTRICT REORGANIZATION.]

Subdivision 1. [ESTABLISHED.] There is established a task force on school district reorganization that is composed of 20 members.

Subd. 2. [MEMBERSHIP.] The state board of education shall appoint 14 members. These members must represent elementary and secondary education, various sizes of school districts, and various geographical areas of the state. The state board shall appoint one member, from three names submitted by each organization, to represent each of the following organizations:

- (1) state board of education;
- (2) state curriculum advisory committee;
- (3) Minnesota school boards association;
- (4) association of stable or growing school districts;
- (5) association of metropolitan school districts;
- (6) Minnesota rural education association;
- (7) Minnesota association of school administrators;
- (8) Minnesota association of secondary school principals;
- (9) Minnesota elementary school principals' association;
- (10) Minnesota education association;
- (11) Minnesota federation of teachers;
- (12) Minnesota congress of parents, teachers, and students;
- (13) a representative of the business community; and
- (14) Minnesota community education association.

In addition, six members of the legislature shall be appointed to the task force. The subcommittee on committees of the committee on rules and administration of the senate shall appoint three members of the senate education committee. The speaker of the house shall appoint three members of the house education committee.

The commissioner of education, or a designee, shall be an ex officio member of the task force and shall convene the first meeting of the commission by May 1, 1988.

The task force members shall elect the chair of the commission.

Subd. 3. [ITEMS FOR CONSIDERATION.] In considering school district reorganization, the task force shall consider and make findings about the following:

(a) learning opportunities for learners, including, but not limited to:

- (1) minimum and maximum curriculum offerings;
- (2) alternatives to traditional instructional time or learning year;
- (3) state board of education rules; and
- (4) community education and its implications; and

(b) financial considerations, including, but not limited to:

- (1) funding and tax equity;
- (2) implications for employees, including salaries, fringe benefits, and collective bargaining;
- (3) facility needs and uses, alternative facility needs and uses, and alternatives including construction of duplicate facilities by adjacent school districts; and
- (4) community education and its implications; and

(c) alternative patterns of education program organization, including, but not limited to:

- (1) various management organizational structures;
- (2) technology use;
- (3) incentives to reorganize;

(4) research on school district organization; and

(5) community education and its implications.

Subd. 4. [SUBCOMMITTEES.] The task force shall appoint at least two subcommittees. One subcommittee shall address curriculum and one subcommittee shall address organizational structures and finance. The members of both subcommittees shall be representative of elementary and secondary education, various sizes of school districts, and various geographical areas of the state.

Subd. 5. [EXPENSES AND EXPIRATION.] The task force shall be governed by Minnesota Statutes, section 15.059, subdivision 6.

Subd. 6. [STAFF ASSISTANCE.] The education committees of the legislature and the department of education shall provide staff assistance to the task force and subcommittees.

Subd. 7. [FINDINGS.] The task force shall report its findings to the state board of education by January 1, 1989, and to the education committees of the legislature by February 1, 1989.

Sec. 50. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education the sums indicated in this section for fiscal years ending June 30 in the years designated.

Subd. 2. [REORGANIZATION TASK FORCE.] For expenses of the reorganization task force, there is appropriated

\$6,000 1989.

Subd. 3. [EDUCATION STATEMENTS.] For costs associated with printing and distributing the education statement according to section 16, there is appropriated

\$2,500 1989.

Sec. 51. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 121.11, subdivision 16, is repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 7 and 48 are effective the day following final enactment. After December 31, 1993, the provisions of Minnesota

Statutes, section 92.67, subdivisions 1 and 3 apply only to sales made under section 6, subdivision 4, clause (a)(5).

ARTICLE 8

FACILITIES

Section 1. Minnesota Statutes 1986, section 121.15, is amended by adding a subdivision to read:

Subd. 1a. [DOWN PAYMENT LEVY; REVIEW OF NEED AND REASONABLENESS.] A district intending to levy for a down payment for the future costs of acquisition and betterment of a project must submit the information required in subdivision 7 to the department of education. The department of education shall review the need and reasonableness of the project and approve or disapprove the project within 60 days after submission.

Sec. 2. Minnesota Statutes 1986, section 121.15, subdivision 6, is amended to read:

Subd. 6. [REVIEW AND COMMENT.] No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility which requires a capital expenditure in excess of \$400,000 per school site shall be initiated prior to review and comment by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision. A project that has previously been approved according to section 1 is not subject to the review and comment requirements of this subdivision or the publication requirements of subdivision 9.

Sec. 3. [124.82] [BUILDING CONSTRUCTION DOWN PAYMENT PROGRAM.]

Subdivision 1. [CREATION OF A DOWN PAYMENT ACCOUNT.] A school district may create a down payment account as a separate account in its construction fund. All proceeds from the down payment levy must be deposited in this account.

Subd. 2. [USES OF THE ACCOUNT.] Funds in the down payment account may be used as a down payment for the future costs of acquisition and betterment for a project that has been approved according to section 1.

Subd. 3. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.] A district may levy the millage approved by a majority of the electors voting on the question to provide funds for a down payment for an approved project. The election must take place no more than

five years before the estimated date of commencement of the project. The referendum shall be held on a date set by the school board. The referendum may be called by the school board and may be held:

(1) separately, prior to an election for the issuance of obligations for the approved project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the approved project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the down payment levy and the issuance of obligations for the approved project under chapter 475. Any obligations authorized for an approved project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state that the project has been approved by the department of education, state the maximum amount of the down payment levy in mills, state the amount that will be raised by that millage in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

In the event a conjunctive question proposes to authorize both the down payment levy and the issuance of obligations for the approved project, appropriate language authorizing the issuance of obligations shall also be included in the question.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

“Shall the down payment levy proposed by the board of School District No. . . . be approved?”

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved.

The district must notify the commissioner of education of the results of the referendum.

Subd. 4. [EXCESS BUILDING CONSTRUCTION FUND LEVY PROCEEDS.] Any funds remaining in the down payment account that are not applied to the payment of the costs of the approved project prior to its final completion must be transferred to the district's debt redemption fund.

Sec. 4. [124.83] [CAPITAL EXPENDITURES; HEALTH AND SAFETY.]

Subdivision 1. [HEALTH AND SAFETY PLANS.] To receive health and safety revenue for the 1989-1990 school year and each year thereafter, a district must submit to the commissioner of education an application for aid and levy by August 15 in the previous school year. The application may be for asbestos removal, fire code compliance, or other required life safety repairs.

Subd. 2. [HAZARDOUS SUBSTANCE PLANS.] (a) Hazardous substance plans must contain the following:

(1) a plan for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296.01;

(2) the estimated cost of the plan by fiscal year; and

(3) other information required by the commissioner.

(b) The commissioner may approve applications based on criteria disseminated to school districts by July 15 of the previous school year.

Subd. 3. [FIRE SAFETY PLANS.] (a) Fire safety plans must contain the following:

(1) a description of the current fire code violation and a plan for the removal or repair of the fire hazard;

(2) the estimated cost of the plan by fiscal year;

(3) a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected; and

(4) other information required by the commissioner.

(b) The commissioner may approve applications by July 15 of the previous school year.

Subd. 4. [LIFE SAFETY PLANS.] (a) A life safety plan must contain the following:

(1) a description of the life safety hazard and a plan for its removal or repair;

(2) the estimated cost of the plan by fiscal year; and

(3) other information required by the commissioner.

(b) The commissioner may approve applications by July 15 of the previous school year.

Subd. 5. [HEALTH AND SAFETY REVENUE.] A district's health and safety revenue equals the approved cost of the health and safety plan for the school year to which the levy is attributable, minus the unexpended portion of levies certified by the district in earlier years under section 275.125, subdivision 11c.

Subd. 6. [HEALTH AND SAFETY LEVY.] A district's "health and safety levy limitation" means its levy limitation computed according to section 8.

Subd. 7. [HEALTH AND SAFETY AID.] A district's health and safety aid for 1989-1990 and later school years equals:

(i) the difference between its health and safety revenue and its health and safety levy limitation for the levy for that school year, multiplied by

(ii) the ratio of the amount actually levied to the amount of its health and safety levy limitation.

Subd. 8. [USES OF HEALTH AND SAFETY AID.] Aid paid under this section may be used only for expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Subd. 9. [PRORATION.] In the event that the health and safety aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Sec. 5. [124.84] [CAPITAL EXPENDITURES; EQUIPMENT.]

Subdivision 1. [EQUIPMENT REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals \$70 times its actual pupil units for the school year.

Subd. 2. [EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue a district may levy according to section 8.

Subd. 3. [EQUIPMENT AID.] A district's capital expenditure equipment aid equals:

(i) the difference between the capital expenditure equipment revenue and the capital expenditure equipment levy, multiplied by

(ii) the ratio of the amount actually levied to the amount of its capital expenditure equipment levy limitation.

Subd. 4. [USES OF EQUIPMENT REVENUE.] Capital expenditure equipment revenue may be used only for the following purposes:

- (1) textbooks;
- (2) initial acquisitions of library books;
- (3) additions to library collections;
- (4) purchasing equipment; and
- (5) purchasing vehicles.

Sec. 6. [124.85] [CAPITAL EXPENDITURES; REPAIRS AND BETTERMENT.]

Subdivision 1. [REPAIR AND BETTERMENT AMOUNT.] The capital expenditure repair and betterment revenue for each district equals \$137 times its actual pupil units.

Subd. 2. [REPAIR AND BETTERMENT LEVY.] To obtain capital expenditure repair and betterment revenue, a district may levy according to section 8.

Subd. 3. [REPAIR AND BETTERMENT AID.] A district's capital expenditure repair and betterment aid equals:

(i) the difference between the capital expenditure repair and betterment revenue and the capital expenditure repair and betterment levy, multiplied by

(ii) the ratio of the amount actually levied to the amount of its capital expenditure repair and betterment levy limitation.

Subd. 4. [USES OF REPAIR AND BETTERMENT REVENUE.] Capital expenditure repair and betterment revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;

(2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;

(3) to rent or lease buildings for school purposes;

(4) to equip, reequip, improve, and repair school sites, buildings, and permanent attached fixtures;

(5) to eliminate barriers or increase access to school buildings by handicapped individuals;

(6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;

(7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(8) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;

(11) to improve buildings that are leased according to section 123.36, subdivision 10;

(12) to pay special assessments levied against school property but not to pay assessments for service charges;

(13) to pay capital expenditure assessments of an educational cooperative service unit;

(14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;

(15) to purchase or lease computers and related materials, copying machines, and telecommunications equipment;

(16) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts programs; and

(17) to purchase textbooks.

Sec. 7. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 4a. [DOWN PAYMENT LEVY.] A school district may levy the amount authorized for a down payment levy according to section 3.

Sec. 8. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 11d. [CAPITAL EXPENDITURE LEVIES.] (a) Each year, a district may levy an amount for capital expenditures under sections 4 to 6 equal to the following:

(1) the district's health and safety revenue as defined in section 4 multiplied by the capital expenditure levy ratio;

(2) the district's capital expenditure equipment revenue as defined in section 5 multiplied by the capital expenditure levy ratio; and

(3) the district's capital expenditure repair and betterment revenue as defined in section 6 multiplied by the capital expenditure levy ratio.

(b) For purposes of this subdivision, levy ratio means the lesser of one, or the ratio of:

(1) the quotient derived by dividing the adjusted assessed valuation of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to

(2) 75 percent of the equalizing factor for the school year to which the levy is attributable.

(c) The proceeds of the taxes must be placed in the district's capital expenditure fund and may only be used for the purposes allowed in sections 4 to 6.

Sec. 9. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 11e. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease existing school buildings or other buildings for instructional purposes and it determines that the capital expenditure revenues authorized under section 124.244 are

insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a school building or other building for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services.

Sec. 10. [1988 LEVY FOR LEASING BUILDINGS.]

In addition to the levy authorized in section 9, a district may levy in 1988 for leasing expenditures that would have been allowable if section 9 had been effective for levies certified in 1987 payable in 1988.

Sec. 11. [REPEALER.]

Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 124.244; 124.245, subdivisions 3, 3a, and 3b; and 275.125, subdivision 11c, are repealed effective for the 1989-1990 school year.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 9, and 11, are effective for revenue for the 1989-1990 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; providing for the sale of permanent school fund lands; requiring the signing of an education statement;

requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivisions 2 and 3; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124.573, by adding subdivisions; 124A.036, subdivision 2; 125.185, subdivision 4; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.573, subdivision 2b; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivision 1, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Battaglia from the Committee on Local and Urban Affairs to which was referred:

H. F. No. 2250, A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating

emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; 471.992, by adding a subdivision; and 471.998, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

Reported the same back with the following amendments:

Page 12, line 33, before the period insert "of the political subdivision"

Page 13, line 1, delete "shall direct" and insert "may recommend that" and delete "to"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2289, A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime without intent while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2381, A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT OF ACTUARY.] (a) Each court of this state that has jurisdiction to decide marriage dissolution matters may appoint an approved actuary a qualified person experienced in the valuation of pension benefits and rights to function as an expert witness in valuing pension benefits or rights.

(b) An approved actuary is a person who is enrolled as a member of the American Academy of Actuaries, or is enrolled as an actuary pursuant to the Federal Employee Retirement Income Security Act of 1974, as amended."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2407, A bill for an act relating to the state and local governments; providing immunity from civil liability for volunteers serving the state and local governments; amending Minnesota Statutes 1986, section 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3; and proposing coding for new law in Minnesota Statutes, chapter 466.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 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 rule;

(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 or public sidewalk that does not abut a publicly-owned building or a publicly-owned parking lot, 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, except as provided in section 3.7371;

(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; and

(n) Any loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources; and

(o) Any loss caused by the act or omission of a person who provides volunteer services if that person was acting within the scope of the person's responsibility and is not guilty of malfeasance in office or willful or wanton actions or neglect of duty. This section does not limit the liability of a person who provides volunteer services for physical injury to a person or for wrongful death that is personally and directly caused by the person who provides volunteer services.

The state will not pay punitive damages.

Sec. 2. Minnesota Statutes 1987 Supplement, section 44A.02, subdivision 3, is amended to read:

Subd. 3. [EMPLOYEES.] The president may appoint employees and prescribe their duties. Employees and officers of the corporation are not state employees, but are covered by section 3.736, subdivision 3, and at the option of the board may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The president may delegate to a subordinate the exercise of specified statutory powers or duties as the president deems advisable, subject to the control of the president.

Sec. 3. Minnesota Statutes 1987 Supplement, section 1160.03, is amended by adding a subdivision to read:

Subd. 10. [INDEMNIFICATION.] The corporation is a state agency for purposes of section 3.736, subdivision 9.

Sec. 4. Minnesota Statutes 1987 Supplement, section 1160.04, subdivision 2, is amended to read:

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but are covered by section 3.736, subdivision 3, and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Sec. 5. Minnesota Statutes 1987 Supplement, section 317.201, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, no person who serves without compensation as a director, officer, trustee, member, or agent of an organization exempt from state income taxation under section 290.05, subdivision 2, or who serves without compensation as a fire chief of a nonprofit firefighting corporation or municipal volunteer fire department, or of a public

corporation established by law but not considered a municipality, shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a director, officer, trustee, member, agent, or fire chief of the organization, and did not constitute willful or reckless misconduct.

Sec. 6. Minnesota Statutes 1987 Supplement, section 340A.801, subdivision 1, is amended to read:

Subdivision 1. [RIGHT OF ACTION.] A spouse, child, parent, guardian, employer, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by an intoxicated person or by the intoxication of another person, has a right of action in the person's own name for all damages sustained against a person who caused the intoxication of that person by illegally selling or bartering alcoholic beverages, or in the case of an intoxicated person under the age of 21 years, by illegally selling, bartering, or giving alcoholic beverages. All damages recovered by a minor under this section must be paid either to the minor or to the minor's parent, guardian, or next friend as the court directs.

Sec. 7. Minnesota Statutes 1986, section 340A.801, subdivision 4, is amended to read:

Subd. 4. [SUBROGATION CLAIMS DENIED.] There shall be no recovery by any insurance company against any liquor vender person against whom a right of action exists under subdivision 1 under subrogation clauses of the uninsured, underinsured, collision, or other first party coverages of a motor vehicle insurance policy as a result of payments made by the company to persons who have claims that arise in whole or part under this section. The provisions of section 65B.53, subdivision 3, do not apply to actions under this section.

Sec. 8. Minnesota Statutes 1986, section 340A.802, is amended to read:

340A.802 [NOTICE OF INJURY; DISCOVERY BEFORE ACTIONS.]

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 person for or because of an injury within the scope of section 340A.801 must give a written notice to the licensee or municipality person against whom the claim is made stating:

(1) the time and date when and person to whom the alcoholic beverages were sold or bartered furnished illegally;

(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 person who claims contribution or indemnification from another licensee or municipality person must give a written notice to the other licensee or municipality person 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.

Subd. 2. [LIMITATIONS; CONTENT.] In the case of a claim for damages, the notice must be served by the claimant's attorney within 120 days of the date of entering an attorney-client relationship with the person in regard to the claim. In the case of claims for contribution or indemnity, the notice must be served within 120 days after the injury occurs or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable. No action for damage or for contribution or indemnity may be maintained unless the notice has been given. If requested to do so, a municipality or licensee receiving a notice shall promptly furnish claimant's attorney the names and addresses of other municipalities or licensees who sold or bartered liquor to the person identified in the notice, if known. Actual notice of sufficient facts reasonably to put the licensee or governing body of the municipality person against whom the claim is made on notice of a possible claim complies with the notice requirement.

No action may be maintained under section 340A.801 unless commenced within two years after the injury.

Subd. 3. [BAD FAITH NOTICE.] A claimant who in bad faith gives notice to a licensee person who did not sell or barter liquor furnish alcoholic beverages to the alleged intoxicated person is subject to liability for actual damages, which shall include the reasonable out-of-pocket attorney fees incurred by the licensee person to whom the bad faith notice was given in the defense of the bad faith notice.

Sec. 9. Minnesota Statutes 1986, section 466.01, is amended by adding a subdivision to read:

Subd. 6. [EMPLOYEE, OFFICER, OR AGENT.] For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other person acting on behalf of the municipality in an official

capacity; temporarily or permanently, with or without compensation, but does not include an independent contractor.

Sec. 10. [466.041] [VOLUNTEER IMMUNITY.]

A person who provides volunteer services to a municipality is immune from civil liability if the person was acting within the scope of the person's responsibility and is not guilty of malfeasance in office or willful or wanton neglect of duty. This section does not limit the liability of a person who provides volunteer services to a municipality for physical injury to a person or for wrongful death that is personally and directly caused by the person who provides volunteer services.

Sec. 11. Minnesota Statutes 1987 Supplement, section 604.08, subdivision 1, is amended to read:

Subdivision 1. [GRANT.] No individual who provides services or assistance without compensation as an athletic coach, manager, or official for a sports team that is organized or performing under a nonprofit charter, and no community-based, voluntary nonprofit athletic association, or any volunteer of the nonprofit athletic association, is liable for money damages to a player or participant, or spectator as a result of an individual's acts or omissions in the providing of that service or assistance.

This section applies to organized sports competitions and practice and instruction in that sport.

For purposes of this section, "compensation" does not include reimbursement for expenses.

Sec. 12. [EFFECTIVE DATE.]

Section 6 is effective August 1, 1988, and applies to cases of action arising on and after that date.

Delete the title and insert:

"A bill for an act relating to the state and local governments; providing immunity from civil liability for volunteers serving the state and local governments; providing that employees and officers of the world trade center board and greater Minnesota corporation are state employees for purposes of immunity; providing that officers and directors of public corporations are immune from liability under standards for nonprofit corporations; clarifying immunity from civil liability for certain athletic officials; amending Minnesota Statutes 1986, section 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.736, subdivision 3; 44A.02, subdivision 3; 116O.03, by adding a subdivision; 116O.04, subdivision 2;

317.201, subdivision 1; 340A.801, subdivisions 1 and 4; 340A.802; and 604.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 466."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2412, A bill for an act relating to agriculture; renaming the department of agriculture to the department of agriculture and food; authorizing distinction of and expanded use of the Minnesota grown label; establishing certification of soil testing laboratories; requiring real dairy products to be offered where artificial dairy products are served; appropriating money; amending Minnesota Statutes 1986, section 17.01; Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 17 and 32; repealing Minnesota Statutes 1986, section 17.013.

Reported the same back with the following amendments:

Page 2, line 22, delete "up to five"

Page 3, after line 18, insert:

"(d) The commissioner may conduct check samples on laboratories that are not certified."

Page 3, delete lines 25 to 36 and insert:

"If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented."

Page 4, delete lines 1 to 6

Renumber the subdivisions in sequence

Page 4, line 30, after "laboratories" insert "doing business"

Page 5, line 22, after "redeemable" insert "for food identified with a Minnesota grown logo or labeling statement"

Page 6, line 2, after "pesticides" insert "and nonchemical controls"

Page 6, line 5, after the period insert "To the maximum extent practicable, department employees involved in the plant pest survey and detection program shall cooperate and coordinate efforts with the University of Minnesota and the United States Department of Agriculture."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2451, A bill for an act relating to statutes of limitation; regulating certain actions involving asbestos; amending Minnesota Statutes 1987 Supplement, section 541.22, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2451 was re-referred to the Committee on Rules and Legislative Administration.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2503, A bill for an act relating to agriculture; establishing an industrial by-product soil buffering materials demonstration project and study; appropriating money.

Reported the same back with the following amendments:

Page 1, line 24, after "analysis," insert "TNP labeling,"

Page 2, line 1, after the period, insert "After TNP labeling standards have been established, which shall be no later than March 1, 1989, they shall be provided to the landowner or tenant prior to land application or stockpiling."

Page 2, line 11, delete "and" and insert "or" and delete "com-pounds" and insert "or both"

Page 2, line 17, after "by-product" insert "or the by-product of municipal water treatment processes" and delete "and" and insert "or" and after "magnesium", insert "or both".

Page 2, line 18, delete "will" and insert "may".

Page 2, after line 20, insert:

"Subd. 6. [LIMESTONE.] "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 7. [TNP.] "TNP" means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2511, A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, 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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2517, A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2518, A bill for an act proposing an amendment to the Minnesota Constitution, article I, section 4; providing for six-member juries in nonfelony cases; conforming statutes to either the approval or rejection of the proposed amendment.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. An amendment to the Minnesota Constitution, as provided by subdivisions 2 and 3, is proposed to the people.

Subd. 2. If the amendment is adopted, article I, section 4, will read as follows:

Sec. 4. The right of trial by jury shall remain inviolate, and shall extend to all cases at law without regard to the amount in controversy. A jury trial may be waived by the parties in all cases in the manner prescribed by law. The legislature may provide that the agreement of five-sixths of a jury in a civil action or proceeding, after not less than six hours' deliberation, is a sufficient verdict. The legislature may provide for the number of jurors in a civil action or proceeding, provided that a jury have at least six members.

Subd. 3. If the amendment is adopted, article I, section 6, will read as follows:

Sec. 6. In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the county or district wherein the crime shall have been committed, which county or district shall have been previously ascertained by law. In all prosecutions of crimes defined by law as felonies, the accused has the right to a jury of 12 members. In all other criminal prosecutions, the legislature may provide for the number of jurors, provided that a jury have at least six members. The accused shall enjoy the right to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor and to have the assistance of counsel in his defense.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to allow the use of juries of less than 12 members in civil and nonfelony cases?”

Yes
No”

Election procedures shall be as provided by law.”

Delete the title and insert:

“A bill for an act proposing an amendment to the Minnesota Constitution, article I, sections 4 and 6; providing for six-member juries in civil and nonfelony cases.”

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.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2521, A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2527, A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116.061] [AIR POLLUTION EMISSIONS AND ABATEMENT.]

Subdivision 1. [EMISSION NOTIFICATION REQUIRED.] (a) A person who controls the source of an emission must notify the agency immediately of unusual or unusual and unpermitted emissions that:

- (1) cause air pollution endangering human health;
- (2) cause air pollution damaging property; or
- (3) cause obnoxious odors to constitute a public nuisance.

(b) If a person who controls the source of an emission has knowledge of an event that has occurred and that will subsequently cause an emission described in paragraph (a), the person must notify the agency when the event occurs.

Subd. 2. [ABATEMENT REQUIRED.] A person who is required to notify the agency under subdivision 1 must minimize the emissions and abate the air pollution and obnoxious odors caused by the emissions.

Subd. 3. [EXEMPTION.] The following are exempt from the requirements of subdivisions 1 and 2:

(1) emissions resulting from the activities of public fire services or law enforcement services;

(2) emissions from motor vehicles, as defined in section 169.01, subdivision 3; or

(3) an agricultural operation deemed not a nuisance under section 561.19, subdivision 2.

Subd. 4. [PENALTY EXCEPTION.] A person who notifies the agency of emissions under subdivision 1 and who complies with subdivision 2, may not be subject to criminal prosecution under section 115.071, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2745, A bill for an act proposing an amendment to the Minnesota Constitution, article V, section 3; removing the requirement that notaries public be approved by the senate; amending Minnesota Statutes 1986, section 359.01.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 321, A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state or upon the ice of any boundary water of this state:

- (a) when the person is under the influence of alcohol;
- (b) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;
- (c) when the person is under the influence of a combination of any two or more of the elements named in clauses (a) and, (b), and (f);
- (d) when the person's alcohol concentration is 0.10 or more; ~~or~~
- (e) when the person's alcohol concentration as measured within two hours of the time of driving is 0.10 or more; or
- (f) when the person is willfully or recklessly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in Minnesota Rules, part 5206.0400 and that affects the nervous system, brain, or muscles of the person so as to impair the person's ability to drive or operate the motor vehicle.

Sec. 2. Minnesota Statutes 1986, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section or an ordinance in conformity with it.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, clause (e), that the defendant consumed a sufficient quantity of alcohol after the time of actual driving, operating, or physical control of a motor vehicle and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.10. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 169.123, subdivision 2b, paragraph (b).

Sec. 3. Minnesota Statutes 1986, section 361.12, subdivision 1, is amended to read:

Subdivision 1. [ACTS PROHIBITED.] (a) No person shall operate or be in physical control of any motorboat while underway or in use on the waters of this state while under the influence of:

(1) alcohol, as provided in section 169.121, subdivision 1, clauses (a) and (d);

(2) a controlled or other substance, as defined provided in section 152.01, subdivision 4 ~~169.121, subdivision 1~~; or

(3) a combination of any two or more of the elements named in clauses (1) and (2).

(b) No owner or other person having charge or control of any motorboat shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled or other substance, as provided under paragraph (a), to operate the motorboat while underway or in use on the waters of this state.

(c) No owner or other person having charge or control of any motorboat shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the motorboat, to operate the motorboat while underway or in use on the waters of this state.

Sec. 4. Minnesota Statutes 1986, section 361.12, subdivision 4, is amended to read:

Subd. 4. [EVIDENCE.] (a) Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or being in physical control of any motorboat in violation of subdivision 1, paragraph (a), the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

(b) For the purposes of this subdivision:

(1) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(2) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

(c) Evidence of the refusal to take a preliminary screening test required under subdivision 3 or a chemical test required under section 361.121 is admissible into evidence in a prosecution under this section.

(d) This subdivision does not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance violated this section, including results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is

the measurement obtained by analyzing one adequate breath sample. A sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1988, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

S. F. No. 678, A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

S. F. No. 852, A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 896, A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

Reported the same back with the following amendments:

Page 4, line 27, delete "1987" and insert "1988"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1018, A bill for an act relating to crimes; criminal sexual conduct; creating a crime of fifth degree criminal sexual conduct; amending Minnesota Statutes 1986, section 388.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 2, line 7, before the period insert ", or both"

Page 2, line 9, delete "1987" and insert "1988"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1643, A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 1644, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

Reported the same back with the following amendments:

Page 192, line 17, delete “, or”

Page 192, line 18, delete “have allowed for,”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 90, 704, 1082, 1585, 1839, 1973, 2000, 2057, 2059, 2186, 2203, 2206, 2216, 2250, 2289, 2381, 2407, 2511, 2517, 2521 and 2527 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 321, 678, 852, 896, 1018, 1643 and 1644 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bertram, Bauerly and Larsen introduced:

H. F. No. 2762, A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxable retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Pappas; Nelson, K.; Blatz; Voss and Munger introduced:

H. F. No. 2763, A resolution memorializing the United States Olympic Committee of state support for the bid for the games of the XXVI Olympiad.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Stanius, Schreiber, Thiede, Valento and Swenson introduced:

H. F. No. 2764, A bill for an act relating to education; providing for the recall, reconfirmation, and replacement of the board of regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137.

The bill was read for the first time.

SUSPENSION OF RULES

Stanius moved pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, that the rule therein be suspended and an urgency be declared so that H. F. No. 2764 be given its second reading and that the Rules of the House be so far suspended that H. F. No. 2764 be given its second reading and be placed at the top of Special Orders for today, Thursday, March 17, 1988.

A roll call was requested and properly seconded.

The question was taken on the Stanius motion and the roll was called. There were 46 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Knickerbocker	Onnen	Seaberg
Bennett	Frerichs	Marsh	Osthoff	Stanius
Blatz	Gruenes	McDonald	Ozment	Sviggum
Burger	Gutknecht	McKasy	Pauly	Swenson
Clausnitzer	Heap	McPherson	Poppenhagen	Thiede
Dempsey	Himle	Miller	Quist	Tjornhom
DeRaad	Hugoson	Morrison	Richter	Tompkins
Dille	Jennings	Olsen, S.	Schafer	Uphus
Forsythe	Johnson, V.	Omann	Schreiber	Valento
				Waltman

Those who voted in the negative were:

Anderson, G.	Begich	Carruthers	Dawkins	Jacobs
Battaglia	Bertram	Clark	DeBlicke	Jaros
Bauerly	Carlson, D.	Cooper	Dorn	Jefferson
Beard	Carlson, L.	Dauner	Greenfield	Jensen

Johnson, A.	Lasley	O'Connor	Rice	Steensma
Johnson, R.	Lieder	Ogren	Riveness	Trimble
Kahn	Long	Olson, E.	Rodosovich	Tunheim
Kalis	McEachern	Olson, K.	Rose	Vellenga
Kelly	McLaughlin	Orenstein	Rukavina	Voss
Kelso	Minne	Pappas	Sarna	Wagenius
Kinkel	Munger	Pelowski	Scheid	Welle
Kludt	Murphy	Peterson	Segal	Wenzel
Knuth	Nelson, C.	Price	Simoneau	Winter
Kostohryz	Nelson, D.	Quinn	Skoglund	Wynia
Krueger	Nelson, K.	Reding	Solberg	Spk. Vanasek
Larsen	Neuenschwander	Rest	Sparby	

The motion did not prevail.

H. F. No. 2764 was referred to the Committee on Higher Education.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, CONTINUED

Carruthers introduced:

H. F. No. 2765, A bill for an act relating to Hennepin county; authorizing a certain loan agreement with the commissioner of transportation for the development of trunk highway No. 610; appropriating money.

The bill was read for the first time and referred to the Committee on Transportation.

Stanis and Schreiber introduced:

H. F. No. 2766, A bill for an act relating to education; providing for regent selection and recall; requesting certain regent actions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

The bill was read for the first time and referred to the Committee on Higher Education.

CONSENT CALENDAR

H. F. No. 2431 was reported to the House.

Vellenga moved to amend H. F. No. 2431, as follows:

Page 1, line 15, before the period insert “; provided, however, that in no event shall the retired members of the St. Paul police relief association and the St. Paul fire department relief association ever be entitled under the articles of incorporation and bylaws to more seats on the board of directors than the active members of the respective associations”

The motion prevailed and the amendment was adopted.

H. F. No. 2431, A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

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 107 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knickerbocker	Olson, E.	Simoneau
Anderson, R.	Forsythe	Knuth	Olson, K.	Skoglund
Battaglia	Frerichs	Kostohryz	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Larsen	Orenstein	Steensma
Begich	Gutknecht	Lasley	Osthoff	Swenson
Bertram	Hartle	Lieder	Pappas	Tjornhom
Blatz	Haukoos	Marsh	Pauly	Trimble
Boo	Heap	McEachern	Pelowski	Tunheim
Brown	Himle	McKasy	Peterson	Uphus
Burger	Hugoson	McLaughlin	Poppenhagen	Valento
Carlson, D.	Jaros	Minne	Price	Vellenga
Carlson, L.	Jefferson	Morrison	Redalen	Voss
Carruthers	Jensen	Munger	Reding	Wagenius
Clark	Johnson, R.	Murphy	Rest	Welle
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Wenzel
Cooper	Kahn	Nelson, D.	Riveness	Winter
Dauner	Kalis	Nelson, K.	Rodosovich	Wynia
Dawkins	Kelly	Neuenschwander	Rose	Spk. Vanasek
DeBlicke	Kelso	O'Connor	Rukavina	
DeRaad	Kinkel	Ogren	Sarna	
Dille	Kludt	Olsen, S.	Segal	

Those who voted in the negative were:

McPherson	Quist	Schafer	Schreiber	Thiede
Miller	Richter	Scheid	Sviggum	Waltman

The bill was passed, as amended, and its title agreed to.

CALENDAR

H. F. No. 453 was reported to the House and given its third reading.

Schreiber moved that the rules be so far suspended and that H. F. No. 453 be referred to the top of Special Orders for today, Thursday, March 17, 1988.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 49 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	McDonald	Richter	Tompkins
Blatz	Gruenes	McKasy	Rose	Tunheim
Boo	Gutknecht	McPherson	Schafer	Uphus
Burger	Hartle	Miller	Schreiber	Valento
Carlson, D.	Haukoos	Olsen, S.	Seaberg	Waltman
Clausnitzer	Heap	Omann	Sparby	
Dempsey	Himle	Onnen	Stanius	
DeRaad	Hugoson	Ozment	Sviggum	
Dille	Johnson, V.	Pauly	Swenson	
Forsythe	Knickerbocker	Poppenhagen	Thiede	
Frederick	Marsh	Quist	Tjornhom	

Those who voted in the negative were:

Anderson, G.	Greenfield	Krueger	Olson, E.	Sarna
Battaglia	Jacobs	Larsen	Olson, K.	Scheid
Bauerly	Jaros	Lasley	Orenstein	Segal
Beard	Jefferson	Lieder	Osthoff	Simoneau
Begich	Jennings	Long	Pappas	Skoglund
Bertram	Jensen	McEachern	Pelowski	Solberg
Brown	Johnson, A.	McLaughlin	Peterson	Steensma
Carlson, L.	Johnson, R.	Minne	Price	Trimble
Carruthers	Kahn	Morrison	Quinn	Vellenga
Clark	Kelly	Munger	Reding	Voss
Cooper	Kelso	Murphy	Rest	Wagenius
Dauner	Kinkel	Nelson, C.	Rice	Welle
Dawkins	Kludt	Nelson, K.	Riveness	Wenzel
DeBlick	Knuth	Neuenschwander	Rodosovich	Winter
Dorn	Kostohryz	O'Connor	Rukavina	Wynia
				Spk. Vanasek

The motion did not prevail.

Simoneau requested unanimous consent to offer an amendment to H. F. No. 453. The request was not granted.

Greenfield requested unanimous consent to offer an amendment to H. F. No. 453. The request was not granted.

Heap requested unanimous consent to offer an amendment to H. F. No. 453. The request was not granted.

Heap requested unanimous consent to offer an amendment to H. F. No. 453. The request was not granted.

H. F. No. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; proposing coding for new law in Minnesota Statutes, chapter 11A.

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 82 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Krueger	Orenstein	Stanius
Anderson, R.	Frederick	Larsen	Osthoff	Steensma
Battaglia	Greenfield	Lasley	Pappas	Swenson
Bauerly	Jacobs	McEachern	Peterson	Trimble
Beard	Jaros	McKasy	Price	Tunheim
Begich	Jefferson	McLaughlin	Quinn	Uphus
Bennett	Jensen	Minne	Reding	Vellenga
Bertram	Johnson, A.	Morrison	Rest	Voss
Blatz	Johnson, R.	Munger	Rice	Wagenius
Brown	Kahn	Murphy	Rodosovich	Welle
Carlson, L.	Kalis	Nelson, C.	Rukavina	Wenzel
Carruthers	Kelly	Nelson, D.	Sarna	Winter
Clark	Kelso	Nelson, K.	Scheid	Wynia
Cooper	Kinkel	Neuenschwander	Seaberg	Spk. Vanasek
Dauner	Kludt	O'Connor	Segal	
Dawkins	Knuth	Ogren	Simoneau	
DeBlicke	Kostohryz	Olson, K.	Solberg	

Those who voted in the negative were:

Bishop	Dorn	Hugoson	Omann	Schreiber
Boo	Forsythe	Jennings	Onnen	Sparby
Burger	Frerichs	Johnson, V.	Poppenhagen	Svigum
Carlson, D.	Gutknecht	Knickerbocker	Quist	Thiede
Clausnitzer	Haukoos	McPherson	Redalen	Tjornhom
DeRaad	Heap	Miller	Rose	Waltman
Dille	Himle	Olsen, S.	Schafer	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. No. 1796.

H. F. No. 1796 was reported to the House.

Bauerly and Lieder moved to amend H. F. No. 1796, the second engrossment, as follows:

Page 2, after line 8, insert:

“(c) “Commissioner” means the commissioner of trade and economic development.”

Page 2, line 9, delete “(c)” and insert “(d)”

Page 2, line 11, delete “(d)” and insert “(e)”

Page 2, line 14, delete “(e)” and insert “(f)”

Page 2, line 23, delete “(f)” and insert “(g)”

Page 3, line 35, after the period insert “The capital improvement plan and amendments to it are not effective unless they have been reviewed by the community development division of the department of trade and economic development and have been approved by the commissioner. The commissioner shall approve the plan or amendments to the plan, if the commissioner determines that (1) the improvements can be financed within the limits specified in subdivision 4, and (2) that the improvements are compatible with the projected public service needs of the area and the capital facilities and capital improvement plans of surrounding and overlapping jurisdictions. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved.”

A roll call was requested and properly seconded.

The question was taken on the Bauerly and Lieder amendment and the roll was called. There were 61 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jefferson	Lasley	Orenstein	Simoneau
Bauerly	Jensen	Lieder	Pappas	Skoglund
Begich	Johnson, A.	Long	Peterson	Sparby
Bertram	Johnson, R.	McEachern	Reding	Steensma
Carlson, L.	Kahn	McLaughlin	Rest	Trimble
Carruthers	Kalis	Minne	Rice	Tunheim
Clark	Kelly	Murphy	Riveness	Vellenga
Dauner	Kludt	Nelson, C.	Rodosovich	Voss
Dawkins	Knuth	Nelson, D.	Rukavina	Wagenius
Dorn	Kostohryz	Nelson, K.	Sarna	Welle
Greenfield	Krueger	O'Connor	Seaberg	Wenzel
Jaros	Larsen	Olson, E.	Segal	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Bishop	Burger	DeBlieck	Forsythe
Anderson, R.	Blatz	Carlson, D.	Dempsey	Frederick
Beard	Boo	Clausnitzer	DeRaad	Frerichs
Bennett	Brown	Cooper	Dille	Gruenes

Gutknecht	Kinkel	Omann	Redalen	Thiede
Hartle	Knickerbocker	Onnen	Richter	Tjornhom
Haukoos	Marsh	Osthoff	Rose	Tompkins
Heap	McDonald	Ozment	Schafer	Uphus
Himle	McKasy	Pauly	Scheid	Valento
Hugoson	McPherson	Pelowski	Schreiber	Waltman
Jacobs	Miller	Poppenhagen	Solberg	Winter
Jennings	Neuenschwander	Price	Stanius	
Johnson, V.	Ogren	Quinn	Sviggum	
Kelso	Olsen, S.	Quist	Swenson	

The motion did not prevail and the amendment was not adopted.

Thiede moved to amend H. F. No. 1796, the second engrossment, as follows:

Page 2, line 29, delete "three-fifths of the members"

Page 2, delete line 30

Page 2, line 31, delete "bonds must be approved by vote of at least"

Pursuant to rule 1.10, Voss withdrew his request for immediate consideration of H. F. No. 1796.

NOTICE OF INTENTION TO MOVE RECONSIDERATION

Pursuant to House Rule 3.4, O'Connor gave notice of his intention to move reconsideration of the vote whereby H. F. No. 453 was passed earlier today.

SPECIAL ORDERS

H. F. No. 1678 was reported to the House.

Johnson, A., moved that H. F. No. 1678 be returned to General Orders. The motion prevailed.

H. F. No. 1795 was reported to the House.

Cooper; Anderson, G.; Jennings; Ogren and Sviggum moved to amend H. F. No. 1795, the first engrossment, as follows:

Page 2, line 14, after "homes" insert "and to examine hindrances to establishing day care facilities in rural Minnesota"

Page 3, after line 5, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [EXEMPTION.] A facility in a rural area that has been licensed as a family or group family day care under Minnesota Rules parts 9502.0315 to 9502.0445 is exempt from the requirement that family and group family day care must be provided in a residence that is occupied as a home.

Sec. 3. [PROPOSED RULES SUSPENDED.]

Regulations governing staff ratios in day care centers and educational requirements for day care center staff that are in effect on January 1, 1988, remain in effect until July 1, 1989. Proposed amendments to the rules are suspended until that date."

Renumber remaining section in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|--------------|-------------|------------|-------------|---------------|
| Anderson, G. | Burger | DeRaad | Heap | Kahn |
| Anderson, R. | Carlson, D. | Dille | Himle | Kalis |
| Battaglia | Carlson, L. | Dorn | Hugoson | Kelly |
| Bauerly | Carruthers | Forsythe | Jacobs | Kelso |
| Beard | Clark | Frederick | Jaros | Kinkel |
| Begich | Clausnitzer | Frerichs | Jefferson | Kludt |
| Bennett | Cooper | Greenfield | Jennings | Knickerbocker |
| Bishop | Dauner | Gruenes | Jensen | Knuth |
| Blatz | Dawkins | Gutknecht | Johnson, A. | Kostohryz |
| Boo | DeBlicck | Hartle | Johnson, R. | Krueger |
| Brown | Dempsey | Haukoos | Johnson, V. | Larsen |

Lasley	Nelson, D.	Pelowski	Sarna	Tjornhom
Lieder	Nelson, K.	Peterson	Schafer	Tompkins
Long	Neuenschwander	Poppenhagen	Scheid	Trimble
Marsh	O'Connor	Price	Schreiber	Tunheim
McDonald	Ogren	Quinn	Seaberg	Uphus
McEachern	Olsen, S.	Quist	Segal	Valento
McKasy	Olson, E.	Redalen	Simoneau	Vellenga
McLaughlin	Olson, K.	Reding	Skoglund	Voss
McPherson	Omann	Rest	Solberg	Wagenius
Miller	Onnen	Rice	Sparby	Waltman
Minne	Orenstein	Richter	Stanius	Welle
Morrison	Osthoff	Riveness	Steensma	Wenzel
Munger	Ozment	Rodosovich	Sviggum	Winter
Murphy	Pappas	Rose	Swenson	Spk. Vanasek
Nelson, C.	Pauly	Rukavina	Thiede	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1818 was reported to the House.

Johnson, A., moved that H. F. No. 1818 be returned to General Orders. The motion prevailed.

S. F. No. 1772, A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kelly	Nelson, C.	Reding
Anderson, R.	Dorn	Kelso	Nelson, D.	Rest
Battaglia	Forsythe	Kinkel	Nelson, K.	Rice
Bauerly	Frederick	Kludt	Neuenschwander	Richter
Beard	Frerichs	Knickerbocker	O'Connor	Riveness
Begich	Greenfield	Knuth	Ogren	Rodosovich
Bennett	Gruenes	Kostohryz	Olsen, S.	Rose
Bertram	Gutknecht	Krueger	Olson, E.	Rukavina
Bishop	Hartle	Larsen	Olson, K.	Sarna
Blatz	Haukoos	Lasley	Omann	Schafer
Boo	Heap	Lieder	Onnen	Scheid
Brown	Himle	Long	Orenstein	Schreiber
Burger	Hugoson	Marsh	Osthoff	Seaberg
Carlson, D.	Jacobs	McDonald	Ozment	Segal
Carlson, L.	Jaros	McEachern	Pappas	Simoneau
Carruthers	Jefferson	McKasy	Pauly	Skoglund
Clark	Jennings	McLaughlin	Pelowski	Solberg
Cooper	Jensen	McPherson	Peterson	Sparby
Dauner	Johnson, A.	Miller	Poppenhagen	Stanius
Dawkins	Johnson, R.	Minne	Price	Steensma
DeBlieck	Johnson, V.	Morrison	Quinn	Sviggum
Dempsey	Kahn	Munger	Quist	Swenson
DeRaad	Kalis	Murphy	Redalen	Thiede

Tjornhom	Tunheim	Vellenga	Waltman	Winter
Tompkins	Uphus	Voss	Welle	Wynia
Trimble	Valento	Wagenius	Wenzel	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knuth	Olson, K.	Schreiber
Anderson, R.	Frederick	Kostohryz	Omann	Seaberg
Battaglia	Frerichs	Krueger	Onnen	Segal
Bauerly	Greenfield	Larsen	Orenstein	Simoneau
Beard	Gruenes	Lasley	Osthoff	Skoglund
Begich	Gutknecht	Lieder	Ozment	Solberg
Bennett	Hartle	Long	Pappas	Sparby
Bertram	Haukoos	Marsh	Pauly	Stanius
Bishop	Heap	McDonald	Pelowski	Steensma
Blatz	Himle	McEachern	Peterson	Sviggum
Boo	Hugoson	McKasy	Popenhagen	Swenson
Brown	Jacobs	McLaughlin	Price	Thiede
Burger	Jaros	McPherson	Quinn	Tjornhom
Carlson, D.	Jefferson	Miller	Quist	Tompkins
Carlson, L.	Jennings	Minne	Redalen	Trimble
Carruthers	Jensen	Morrison	Reding	Tunheim
Clark	Johnson, A.	Munger	Rest	Uphus
Clausnitzer	Johnson, R.	Murphy	Rice	Valento
Cooper	Johnson, V.	Nelson, C.	Richter	Vellenga
Dauner	Kahn	Nelson, D.	Riveness	Voss
Dawkins	Kalis	Nelson, K.	Rodosovich	Wagenius
DeBlicck	Kelly	Neuenschwander	Rose	Waltman
Dempsey	Kelso	O'Connor	Rukavina	Welle
DeRaad	Kinkel	Ogren	Sarna	Wenzel
Dille	Kludt	Olsen, S.	Schafer	Winter
Dorn	Knickerbocker	Olson, E.	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1914 was reported to the House.

Skoglund moved that H. F. No. 1914 be returned to General Orders. The motion prevailed.

H. F. No. 1980, A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Long	Pappas	Sparby
Beard	Hartle	Marsh	Pauly	Stanius
Begich	Haukoos	McDonald	Pelowski	Steensma
Bennett	Heap	McEachern	Peterson	Sviggum
Bertram	Himle	McKasy	Poppenhagen	Swenson
Bishop	Hugoson	McLaughlin	Price	Thiede
Blatz	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Upfus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlicke	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dille	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Omann	Seaberg	
Forsythe	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

S. F. No. 1711 was reported to the House.

Ogren moved to amend S. F. No. 1711, as follows:

Page 1, delete lines 21 to 23

Page 1, line 24, delete "section."

The motion prevailed and the amendment was adopted.

S. F. No. 1711, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Omann	Segal
Battaglia	Frerichs	Krueger	Onnen	Simoneau
Bauerly	Greenfield	Larsen	Orenstein	Skoglund
Beard	Gruenes	Lasley	Osthoff	Solberg
Begich	Gutknecht	Lieder	Ozment	Sparby
Bennett	Hartle	Long	Pappas	Stanius
Bertram	Haukoos	Marsh	Pauly	Steensma
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Himle	McEachern	Peterson	Thiede
Boo	Hugoson	McKasy	Poppenhagen	Tjornhom
Brown	Jacobs	McLaughlin	Price	Tompkins
Burger	Jaros	McPherson	Quist	Trimble
Carlson, D.	Jefferson	Miller	Redalen	Tunheim
Carlson, L.	Jennings	Minne	Reding	Uphus
Carruthers	Jensen	Morrison	Rest	Valento
Clark	Johnson, A.	Munger	Rice	Vellenga
Clausnitzer	Johnson, R.	Murphy	Richter	Voss
Cooper	Johnson, V.	Nelson, C.	Riveness	Wagenius
Dauner	Kahn	Nelson, D.	Rodosovich	Waltman
Dawkins	Kalis	Nelson, K.	Rose	Welle
DeBlicck	Kelly	Neuenschwander	Rukavina	Wenzel
Dempsey	Kelso	O'Connor	Sarna	Winter
DeRaad	Kinkel	Ogren	Schafer	Wynia
Dille	Kludt	Olsen, S.	Scheid	Spk. Vanasek
Dorn	Knickerbocker	Olson, E.	Schreiber	
Forsythe	Knuth	Olson, K.	Seaberg	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1995 was reported to the House.

Skoglund moved to amend H. F. No. 1995, as follows:

Page 2, line 22, after "homes" insert ", townhouses"

Page 2, line 25, after the period insert "Only double cylinder deadbolt locks where the key is only removable from the interior cylinder when the key is in the unlocked position may be installed or used in single family homes, townhouses, and first floor duplexes that are used as daycare facilities."

The motion prevailed and the amendment was adopted.

Tjornhom moved to amend H. F. No. 1995, as amended, as follows:

Page 2, line 22, after the period insert "However any municipality

in which the state building code applies may prohibit the use of double cylinder deadbolt locks in residential dwelling units."

The motion prevailed and the amendment was adopted.

H. F. No. 1995, A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Orenstein	Skoglund
Anderson, R.	Frederick	Larsen	Osthoff	Solberg
Battaglia	Greenfield	Lasley	Pappas	Sparby
Bauerly	Gruenes	Lieder	Pauly	Stanius
Beard	Gutknecht	Long	Pelowski	Steensma
Begich	Hartle	Marsh	Peterson	Sviggum
Bennett	Haukoos	McDonald	Poppenhagen	Swenson
Bertram	Heap	McEachern	Price	Thiede
Bishop	Himle	McKasy	Quinn	Tjornhom
Blatz	Hugoson	McLaughlin	Quist	Tompkins
Boo	Jacobs	McPherson	Redalen	Trimble
Brown	Jaros	Miller	Reding	Tunheim
Burger	Jefferson	Minne	Rest	Uphus
Carlson, D.	Jensen	Morrison	Rice	Valento
Carlson, L.	Johnson, A.	Munger	Richter	Vellenga
Carruthers	Johnson, R.	Murphy	Riveness	Voss
Clark	Johnson, V.	Nelson, C.	Rodosovich	Wagenius
Clausnitzer	Kahn	Nelson, D.	Rose	Waltman
Cooper	Kalis	Nelson, K.	Rukavina	Welle
Dauner	Kelly	Neuenschwander	Sarna	Wenzel
Dawkins	Kelso	Ogren	Schafer	Winter
DeBlieck	Kinkel	Olsen, S.	Scheid	Wynia
Dempsey	Kludt	Olson, E.	Schreiber	Spk. Vanasek
DeRaad	Knickerbocker	Olson, K.	Seaberg	
Dille	Knuth	Omann	Segal	
Dorn	Kostohryz	Onnen	Simoneau	

Those who voted in the negative were:

Ozment

The bill was passed, as amended, and its title agreed to.

H. F. No. 2372, A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

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.	Forsythe	Kostohryz	Onnen	Segal
Anderson, R.	Frederick	Krueger	Orenstein	Simoneau
Battaglia	Greenfield	Larsen	Osthoff	Skoglund
Bauerly	Gruenes	Lasley	Ozment	Solberg
Beard	Gutknecht	Lieder	Pappas	Sparby
Begich	Hartle	Long	Pauly	Stanius
Bennett	Haukoos	Marsh	Pelowski	Steensma
Bertram	Heap	McDonald	Peterson	Swiggum
Bishop	Himle	McEachern	Poppenhagen	Swenson
Blatz	Hugoson	McKasy	Price	Thiede
Boo	Jacobs	McLaughlin	Quinn	Tjornhom
Brown	Jaros	McPherson	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Nelson, K.	Rose	Waltman
Dawkins	Kelly	Neuenschwander	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1779, A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Blatz	Cooper	Frederick	Hugoson
Anderson, R.	Boo	Dauner	Frerichs	Jacobs
Battaglia	Brown	Dawkins	Greenfield	Jaros
Bauerly	Burger	DeBlieck	Gruenes	Jefferson
Beard	Carlson, D.	Dempsey	Gutknecht	Jensen
Begich	Carlson, L.	DeRaad	Hartle	Johnson, A.
Bennett	Carruthers	Dille	Haukoos	Johnson, R.
Bertram	Clark	Dorn	Heap	Johnson, V.
Bishop	Clausnitzer	Forsythe	Himle	Kahn

Kalis	McLaughlin	Onnen	Riveness	Swenson
Kelly	McPherson	Orenstein	Rodosovich	Thiede
Kelso	Miller	Osthoff	Rose	Tjornhom
Kinkel	Minne	Ozment	Rukavina	Tompkins
Kludt	Morrison	Pappas	Sarna	Trimble
Knickerbocker	Munger	Pauly	Schafer	Tunheim
Knuth	Murphy	Pelowski	Scheid	Uphus
Kostohryz	Nelson, C.	Peterson	Schreiber	Valento
Krueger	Nelson, D.	Poppenhagen	Seaberg	Vellenga
Larsen	Nelson, K.	Price	Segal	Voss
Lasley	Neuenschwander	Quinn	Simoneau	Wagenius
Lieder	O'Connor	Quist	Skoglund	Waltman
Long	Ogren	Redalen	Solberg	Welle
Marsh	Olsen, S.	Reding	Sparby	Wenzel
McDonald	Olson, E.	Rest	Stanius	Winter
McEachern	Olson, K.	Rice	Steensma	Wynia
McKasy	Omann	Richter	Sviggum	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2038 was reported to the House.

McLaughlin and Himle moved to amend H. F. No. 2038, the first engrossment, as follows:

Page 3, after line 26, insert:

“Sec. 5. [DEPARTMENT OF JOBS AND TRAINING; MINNEAPOLIS LOCATION.]

The commissioner of jobs and training is authorized to buy and sell real property in Minneapolis for the purpose of relocating department offices to locations more accessible to the residents of Minneapolis and colocating with other social service agencies, notwithstanding chapter 94 or any law to the contrary. The commissioner may not buy or sell property under this section without the approval of the chair of the appropriations committee of the house of representatives and the chair of the finance committee of the state senate.”

Page 3, line 27, delete “5” and insert “6”

Page 3, line 28, delete “4” and insert “5”

Amend the title as follows:

Page 1, line 6, after “contracts;” insert “authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis;”

Simoneau moved to amend the McLaughlin and Himle amendment to H. F. No. 2038, the first engrossment, as follows:

In the amendment, page 1, line 11, delete everything after the period

Page 1, delete lines 12, 13, and 14

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the McLaughlin and Himle amendment, as amended, to H. F. No. 2038. The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2038, A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Kostohryz	Onnen	Simoneau
Battaglia	Frerichs	Krueger	Orenstein	Skoglund
Bauerly	Greenfield	Larsen	Osthoff	Solberg
Beard	Gruenes	Lasley	Ozment	Sparby
Begich	Gutknecht	Lieder	Pappas	Stanius
Bennett	Hartle	Long	Pauly	Steenasma
Bertram	Haukoos	Marsh	Pelowski	Sviggunn
Bishop	Heap	McDonald	Peterson	Swenson
Blatz	Himle	McEachern	Price	Thiede
Boo	Hugoson	McKasy	Quinn	Tjornhom
Brown	Jacobs	McLaughlin	Quist	Tompkins
Burger	Jaros	McPherson	Redalen	Trimble
Carlson, D.	Jefferson	Miller	Reding	Tunheim
Carlson, L.	Jennings	Minne	Rest	Uphus
Carruthers	Jensen	Morrison	Rice	Valento
Clark	Johnson, A.	Munger	Richter	Vellenga
Clausnitzer	Johnson, R.	Murphy	Riveness	Voss
Cooper	Johnson, V.	Nelson, C.	Rodosovich	Wagenius
Dauner	Kahn	Nelson, D.	Rose	Waltman
Dawkins	Kalis	Nelson, K.	Rukavina	Welle
DeBlieck	Kelly	O'Connor	Sarna	Wenzel
Dempsey	Kelso	Ogren	Schafer	Winter
DeRaad	Kinkel	Olsen, S.	Scheid	Wynia
Dille	Kludt	Olsen, E.	Schreiber	Spk. Vanasek
Dorn	Knickerbocker	Olson, K.	Seaberg	
Forsythe	Knuth	Omann	Segal	

The bill was passed, as amended, and its title agreed to.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Ogren moved that the name of Otis be added as an author on H. F. No. 1795. The motion prevailed.

Rodosovich moved that the name of Vellenga be shown as chief author on H. F. No. 2271. The motion prevailed.

Rodosovich moved that the names of Winter and Olson, K., be added as authors on H. F. No. 2750. The motion prevailed.

Wenzel moved that H. F. No. 2748 be returned to its author. The motion prevailed.

Uphus moved that H. F. No. 1693 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, March 21, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, March 21, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 21, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Ralph Beckstrom, Sandy Lake Baptist Church, Barnum, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Osthoff	Simoneau
Anderson, R.	Frerichs	Larsen	Otis	Skoglund
Battaglia	Greenfield	Lasley	Ozment	Solberg
Bauerly	Gruenes	Lieder	Pappas	Sparby
Beard	Gutknecht	Long	Pauly	Stanius
Begich	Hartle	Marsh	Pelowski	Steensma
Bennett	Haukoos	McEachern	Peterson	Svigum
Bertram	Heap	McKasy	Poppenhagen	Swenson
Bishop	Himle	McLaughlin	Price	Thiede
Blatz	Hugoson	McPherson	Quinn	Tjornhom
Boo	Jacobs	Milbert	Quist	Tompkins
Brown	Jaros	Miller	Redalen	Trimble
Burger	Jefferson	Minne	Reding	Tunheim
Carlson, D.	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Wagenius
Cooper	Kahn	Nelson, K.	Rose	Waltman
Dauner	Kalis	Neuenschwander	Rukavina	Welle
Dawkins	Kelly	O'Connor	Sarna	Wenzel
DeBlieck	Kelso	Ogren	Schafer	Winter
Dempsey	Kinkel	Olsen, S.	Scheid	Wynia
DeRaad	Kludt	Olson, E.	Schreiber	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Seaberg	
Dorn	Knuth	Omman	Segal	
Forsythe	Kostohryz	Onnen	Shaver	

A quorum was present.

McDonald was excused.

Orenstein was excused until 1:50 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. 1839, 704, 2186, 2216, 2289, 2511, 2517, 2521, 2057, 2059, 2407, 2527, 90, 1082, 1585, 1973, 2000, 2203, 2206, 2250, 2381, 2431, 1795, 1995 and 2038 and S. F. Nos. 1644, 321, 896 and 1018 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

March 16, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1886, relating to crime; increasing penalties for advertising, selling, and renting devices designed to make an unauthorized connection to a cable communications system.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 16, 1988

The Honorable Robert Vanasek
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 1988 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.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1988</i>	<i>Date Filed</i> <i>1988</i>
537		408	March 16	March 16
1715		409	March 16	March 16
	1886	410	March 16	March 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 681, A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

Reported the same back with the following amendments:

Page 1, line 26, delete "80" and insert "70"

Page 3, line 3, delete "1988" and insert "1989"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 877, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; providing for a senate with six-year terms and a house of representatives with staggered four-year terms.

Reported the same back with the following amendments:

Page 1, line 18, after the period insert "Terms of senators shall be staggered as provided by law."

Page 1, line 22, after "representative" insert "and each senator"

Page 2, line 8, after "to" insert "staggered"

Amend the title as follows:

Page 1, line 4, before "six-year" insert "staggered"

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.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1130, A bill for an act relating to motor vehicles; establishing titling system for salvage and rebuilt motor vehicles; providing penalties; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 10, 16, and 17, and by adding subdivisions; 168A.01, subdivision 1, and by adding subdivisions; and 168A.15; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.27, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, brokers, wholesalers, auctioneers ~~and~~ lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a building adapted to commercial use and located in an area zoned for commercial or other less restrictive nonresidential use by the governmental unit in which it is located.

(7) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(8) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 19.

Sec. 2. Minnesota Statutes 1986, section 168.27, subdivision 2, is amended to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling or arranging the sale of new motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale, or auction and to solicit and advertise the sale, broker, wholesale, or auction of new motor vehicles covered by the franchise and any used motor vehicles or to

lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a handicapped person to use the vehicle.

Sec. 3. Minnesota Statutes 1986, section 168.27, subdivision 3, is amended to read:

Subd. 3. [USED MOTOR VEHICLE DEALER.] No person shall engage in the business of selling or arranging the sale of used motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of used motor vehicles without first acquiring a used motor vehicle dealer license. A used motor vehicle dealer licensee shall be entitled thereunder to sell, lease, broker, wholesale or auction and to solicit and advertise the sale, lease, broker, wholesale or auction of any used motor vehicles for consumer use at retail or for resale to a dealer. A used motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a used motor vehicle dealer may not acquire a junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is also licensed as a used vehicle parts dealer.

Sec. 4. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 3a. [SCRAP METAL PROCESSOR.] (a) A person must have a scrap metal processor license to engage in the business of:

(1) buying or otherwise acquiring vehicles other than hulks; or

(2) offering to buy or otherwise acquire, or soliciting or advertising the buying or acquiring of, vehicles other than hulks for processing and selling the metal for remelting. For purposes of this subdivision, a "hulk" is a motor vehicle that is incapable, under its own power, of moving and is incapable of transporting persons or property and has had any valuable used parts removed. Its sole value is its metallic content.

(b) A scrap metal processor licensee is entitled to buy or otherwise acquire vehicles and to solicit and advertise the buying or acquiring of vehicles for processing and selling the metal for remelting. A scrap metal processor licensee may not acquire a junked vehicle for the purpose of dismantling and selling used vehicle parts and remaining scrap materials unless the scrap metal processor is also licensed as a used vehicle parts dealer.

Sec. 5. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 3b. [USED VEHICLE PARTS DEALER.] A person must have a used vehicle parts dealer's license to be primarily engaged in the business of buying or otherwise acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and the remaining scrap metals.

Sec. 6. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 3c. [VEHICLE SALVAGE POOL.] A person must have a vehicle salvage pool license to engage in the business of: storing and displaying, offering to store or display, or soliciting or advertising the storing or displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee is entitled to store and display and to solicit and advertise the storing and displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee shall not sell junked vehicles to any party other than a licensed used parts dealer.

Sec. 7. Minnesota Statutes 1986, section 168.27, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (1) Salespeople and other employees of licensed dealers under this section shall not be required to obtain individual licenses.

(2) Isolated or occasional sales or leases of new or used motor vehicles shall be exempt from the provisions of this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means the sale, purchase, or lease of not more than five motor vehicles in a 12-month period.

Sec. 8. Minnesota Statutes 1986, section 168.27, subdivision 10, is amended to read:

Subd. 10. [PLACE OF DOING BUSINESS.] All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(a) a permanent enclosed commercial building on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours;

(b) a bona fide contract or franchise (1) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale, or auction, or (2) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (3) in effect with the final stage manufacturer of the new type A, B, or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(c) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. Such service may be provided through contract with bona fide operators actually engaged in such services;

(d) an area to display motor vehicles, which is owned or under lease by the licensee.

(2) For a used motor vehicle dealer or vehicle salvage pool, the following: a permanent enclosed commercial building on a permanent foundation and an area to display motor vehicles, owned or under lease by the licensee. The lease shall be for a minimum term

of one year. The building shall contain office space ~~for~~ where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal working business hours.

(3) For a motor vehicle lessor or wholesaler, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(4) For a ~~motor vehicle broker~~ used parts dealer or scrap metal processor, the following: a ~~commercial office space~~ street address where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(5) For a motor vehicle wholesaler, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(6) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(7) (6) If a new or used motor vehicle dealer or salvage pool maintains more than one place of doing business in a county, the separate places shall be listed on the application. If additional places of business are maintained outside of one county, separate licenses shall be obtained for each county.

(8) (7) If a motor vehicle lessor, ~~broker~~ wholesaler, used parts dealer, scrap metal processor, or auctioneer maintains more than one permanent place of doing business, either in one or more counties, the separate places shall be listed in the application, but only one license shall be required.

Sec. 9. Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The

registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number upon the payment of \$10 to the registrar. This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool. In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each dealer plate purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state as follows:

(1) by the motor vehicle dealer, or any employee of the motor vehicle dealer or by any member of the immediate family of the dealer or employee for either private or business purposes;

(2) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(3) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Sec. 10. Minnesota Statutes 1986, section 168.27, subdivision 24, is amended to read:

Subd. 24. [BONDS.] All persons licensed hereunder shall keep in full force and effect a bond with a corporate surety to be approved by the registrar of motor vehicles in amounts as herein provided; in the case of boat trailer, snowmobile trailer, horse trailer or motorized bicycle dealers in the amount of \$5,000; and as to all other persons in the amount of \$25,000. The bond shall be conditioned on the faithful performance by the licensee of the obligations imposed by the laws of this state, including the conduct required of a licensee by this section and other sections governing the sale or transfer of

motor vehicles, and the payment of all taxes, license fees, and penalties. The bond shall be for the benefit of the state of Minnesota and any transferor, seller, or purchaser of a motor vehicle for any monetary loss caused by failure of the licensee to meet the obligations enumerated above. Proceedings on the forfeiture of the bonds shall be commenced in the district court of the county wherein the business of the licensed person was carried on, or if in more than one county, the county in which the offense occurred. This subdivision does not apply to a used vehicle parts dealer or a scrap metal processor.

Sec. 11. Minnesota Statutes 1986, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of \$3.25 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and license plates for a motor vehicle.

Sec. 12. Minnesota Statutes 1986, section 168A.01, subdivision 2, is amended to read:

Subd. 2. "Dealer" means a person who is licensed to engage in the business of buying, selling, or exchanging vehicles, and has an established place of business, in this state has the meaning given it in section 168.27, subdivision 1.

Sec. 13. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 6a. "High value vehicle" means a vehicle manufactured six or more years before the start of the current model year that had an actual cash value in excess of \$5,000 before being damaged, or a vehicle with a manufacturer's rating of over 26,000 pounds gross vehicle weight.

Sec. 14. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 8a. "Late model vehicle" means a vehicle manufactured in the current model year or the five model years immediately preceding the current model year.

Sec. 15. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 12a. "Older model vehicle" means a vehicle manufactured in the sixth model year immediately preceding the current model year or earlier that is not a high value vehicle.

Sec. 16. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 17a. "Salvage title" means a certificate of title that is issued to a vehicle graded and stamped as a "class C" total loss vehicle under section 19.

Sec. 17. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 17b. "Salvage vehicle" means a vehicle that has been graded and stamped under section 19.

Sec. 18. Minnesota Statutes 1986, section 168A.15, is amended to read:

168A.15. [SCRAPPED, DISMANTLED, DESTROYED OR RE-CONSTRUCTED VEHICLES.]

Subdivision 1. An owner who scraps, dismantles, or destroys a vehicle and a person who purchases a vehicle as scrap or to be dismantled or destroyed shall immediately cause the certificate of title to be mailed or delivered to the department for cancellation. A certificate of title of the vehicle shall not again be issued except upon application containing the information the department requires, accompanied by a certificate of inspection in the form and content specified in section 168A.04, subdivision 4, clause (3).

Subd. 2. If a vehicle is altered so as to become a reconstructed vehicle, the owner shall apply for a certificate of title to the reconstructed vehicle in the manner provided in section 168A.04, and any existing certificate of title to the vehicle shall be surrendered for cancellation.

Sec. 19. [168A.151] [GRADING OF LATE MODEL AND HIGH VALUE VEHICLES.]

Subdivision 1. [INSURERS.] When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late model or high value vehicle through payment of damages, the insurer shall stamp and grade the assigned certificate of title as required under subdivision 3 and comply with all requirements of this chapter.

Subd. 2. [DEALERS.] When a dealer acquires ownership of a late model or high value vehicle that is a "class C" or "class D" total loss vehicle, and receives an assigned certificate of title, the dealer shall

stamp and grade the certificate of title as required by subdivision 3, and comply with all requirements of this chapter.

Subd. 3. [GRADING.] An insurer or dealer who acquires ownership of a late model or high value vehicle as described in subdivision 1 or 2 must grade and stamp the certificate of title as follows:

(a) A "class A" total loss vehicle means a vehicle with damage of less than ten percent of the actual cash value, as approved by an insurer.

(b) A "class B" total loss vehicle means a vehicle with damage of at least ten percent but less than 70 percent of the vehicle's actual cash value, as approved by an insurer.

(c) A "class C" total loss vehicle means a vehicle with damage of at least 70 percent of the vehicle's actual cash value that is repairable.

(d) A "class D" total loss vehicle means a vehicle with damage of at least 70 percent of the vehicle's actual cash value that is unrepairable, such as a total fire loss or a vehicle that cannot be restored for public use. A "class D" total loss vehicle may not be retitled, and the certificate of title must be surrendered to the department even if the vehicle is an out-of-state vehicle. A salvage pool, insurance company, or its agent may sell a "class D" total loss vehicle only to a licensed used parts dealer.

Subd. 4. [OTHER OWNERS.] When a person other than a dealer or insurer acquires ownership of a late model or high value vehicle that is a "class C" total loss vehicle, the person shall surrender the assigned certificate of title to the department and apply for a salvage certificate of title.

Sec. 20. [168A.152] [USE AND CERTIFICATION OF TITLE.]

A salvage certificate of title authorizes the holder to possess, transport, register, and transfer ownership in a vehicle. A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless a certification of inspection in the form and content specified by the department accompanies the application for a certificate of title.

Sec. 21. [168A.153] [REPORT OF VEHICLE RECEIPT; SURRENDER OF CERTIFICATE.]

Subdivision 1. [OLDER MODEL VEHICLES.] A dealer who buys an older model vehicle to be dismantled or destroyed shall report to the department within 30 days including the vehicle's license plate

number and identification number, and the seller's name and driver's license number.

Subd. 2. [LATE MODEL OR HIGH VALUE VEHICLES.] A dealer who buys a late model or high value vehicle to be dismantled or destroyed shall surrender the certificate of title and a properly completed application for a salvage certificate of title to the department within ten days.

Sec. 22. [168A.154] [SALVAGE VEHICLES TAKEN OUT OF STATE.]

A dealer who sells a salvage vehicle to a buyer who intends to remove the vehicle from the state shall report the sale within ten days to the department on a form prescribed by the department.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 22 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1493, A bill for an act relating to actions; restoring pre-1986 status to computing awards of future damages; repealing Minnesota Statutes 1986, section 604.07.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, 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 court administrator as provided in clause (c) and added to the judgment.

(b) Except as otherwise provided by contract or allowed by law, preverdict or prereport interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action, or the time of a written settlement demand, whichever occurs first, except as provided herein. The action must be commenced within 60 days of a written settlement demand for interest to begin to accrue from the time of the demand. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer 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 a written settlement demand was made, or as to special damages from the time when special damages were incurred, if later, 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 a written settlement demand was made, or as to special damages from when the special damages were incurred, if later, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. 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, preverdict or prereport 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;
- (4) punitive damages, fines, or other damages that are noncompensatory in nature;
- (5) judgments not in excess of the amount specified in section 487.30; and
- (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 also determine the average rate of interest on judgments to be used during the succeeding calendar year for computation of the discount rate under section 604.07, subdivision 4. The state court administrator shall communicate the interest rates to the court administrators and sheriffs for use in computing the interest on verdicts and the discount rate under section 604.07.

When a judgment creditor, or the judgment creditor's attorney or agent, has received a payment after entry of judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process other than execution levy where a proper return has been filed with the court administrator, the judgment creditor, or the judgment creditor's attorney, before applying to the court administrator for an execution shall file with the court administrator an affidavit of partial satisfaction. The affidavit must state the dates and amounts of payments made upon the judgment after the most recent affidavit of partial satisfaction filed, if any; the part of each payment that is applied to taxable disbursements and to accrued interest and to the unpaid principal balance of the judgment; and the accrued, but the unpaid interest owing, if any, after application of each payment.

Sec. 2. [549.25] [FUTURE DAMAGES; PAYMENT.]

Where a claimant is awarded an amount representing future damages greater than \$100,000, the court shall hold a hearing prior to ordering entry of judgment to allow the claimant to consider whether payment of the future damages over time as the damages are incurred is in the best interests of the claimant. The following factors may be considered at the hearing, as well as any others as justice requires:

(1) the claimant's financial ability to meet obligations likely to be incurred as a result of the injury at issue in the trial;

(2) the advantages, if any, to the claimant from voluntarily entering into a structured settlement; and

(3) the interests of the claimant in self-determination over the claimant's financial affairs.

If the claimant decides, after the hearing, that structured payments of future damages would be in the claimant's best interests, the court shall make available information to assist the claimant in seeking an appropriate financial instrument to provide such payments. Judgment may not be entered until the claimant has notified the court that the claimant does not wish to enter into a structured settlement.

Sec. 3. Minnesota Statutes 1986, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. Except in cases where liability arises under chapters 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299E - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, a person whose fault is ten percent or less is liable for a percentage of the whole award no greater than ten times the percentage of fault, including any amount reallocated to that person under subdivision 2.

If the state or a municipality as defined in section 466.01 is jointly liable, and its fault is less than 35 percent, it is jointly and severally liable for an amount a percentage of the whole award no greater than twice the amount of fault, including any amount reallocated to the state or municipality under subdivision 2.

Sec. 4. [INJURY COMPENSATION STUDY.]

The speaker of the house of representatives and the majority leader of the senate shall each appoint three persons to a commission to study the civil justice system and current and alternative methods of compensating injured persons. Not later than January 1, 1990, the study commission shall report its findings to the legislature along with any recommendations for legislative action.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 604.07, is repealed.

Sec. 6. [APPLICATION; EFFECTIVE DATE.]

Sections 2 and 3 apply to causes of action arising on or after their effective dates. Sections 1 and 5 are effective the day following final enactment and apply to all cases pending or brought on or after that date."

Delete the title, and insert:

"A bill for an act relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the application of joint and several liability; providing for payment of future damages; amending Minnesota Statutes 1986, section 604.02, subdivision 1; Minnesota Statutes 1987 Supplement, section 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1986, section 604.07."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1685, A bill for an act relating to crimes; prohibiting unauthorized use of computer information; prohibiting denial of access to a computer; prohibiting use of a computer to commit a felony; authorizing persons injured by computer crime to collect treble civil damages; requiring the reporting of computer crimes; imposing penalties; amending Minnesota Statutes 1986, sections 609.531, subdivision 1; 609.87, subdivisions 3, 4, 5, and by adding subdivisions; and 609.88, subdivision 1; 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 1987 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony; or a gross misdemeanor or felony violation of section 4.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 2. Minnesota Statutes 1986, section 609.87, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of sections 609.87 to 609.89, and sections 4 and 5, the terms defined in this section have the meanings given them.

Sec. 3. Minnesota Statutes 1986, section 609.87, is amended by adding a subdivision to read:

Subd. 9a. [COMPUTER SECURITY SYSTEM.] "Computer security system" means a software program or computer device that:

(1) is intended to protect the confidentiality and secrecy of data and information stored in or accessible through the computer system; and

(2) displays a conspicuous warning to a user that the user is entering a secure system, or requires a person seeking access to knowingly respond by use of an authorized code to the program or device in order to gain access.

Sec. 4. [609.891] [UNAUTHORIZED COMPUTER ACCESS.]

Subdivision 1. [CRIME.] A person is guilty of unauthorized computer access if the person intentionally and without authority attempts to or does penetrate a computer security system.

Subd. 2. [FELONY.] (a) A person who violates subdivision 1 in a manner that creates a grave risk of causing the death of a person is guilty of a felony and may be sentenced to a term of imprisonment of not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who is convicted of a second or subsequent gross misdemeanor violation of subdivision 1 is guilty of a felony and may be sentenced under paragraph (a).

Subd. 3. [GROSS MISDEMEANOR.] (a) A person who violates subdivision 1 in a manner that creates a risk to public health and safety is guilty of a gross misdemeanor and may be sentenced to imprisonment for a term of not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) A person who violates subdivision 1 in a manner that compromises the security of data that are protected under section 609.52, subdivision 2, clause (8), or are not public data as defined in section 13.02, subdivision 8a, is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

(c) A person who is convicted of a second or subsequent misdemeanor violation of subdivision 1 within five years is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

Subd. 4. [MISDEMEANOR.] A person who violates subdivision 1 is guilty of a misdemeanor and may be sentenced to imprisonment

for a term of not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 5. [609.892] [SELLING PROTECTED DATA.]

Subdivision 1. [CRIME.] A person is guilty of selling protected data if the person:

(1) makes contact with a computer system and thereby gains access to data that are not public data as defined in section 13.02, subdivision 8a;

(2) transfers the data to a person who is not authorized to receive the data; and

(3) receives money or any other thing of value in exchange for the data.

Subd. 2. [SENTENCE.] A person who violates subdivision 1 is guilty of a felony and may be sentenced to a term of imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1988, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting unauthorized computer access; prohibiting selling protected data; making these new computer crimes subject to the criminal forfeiture law; prescribing penalties; amending Minnesota Statutes 1986, section 609.87, subdivision 1, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1719, A bill for an act relating to game and fish; prohibiting the use of meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97B.425, is amended to read:

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. To attract bear a person may not use a bait with:~~

- (1) meat from mammals, if the meat contains bones;
- (2) bones of mammals;
- (3) solid waste containing bottles, cans, plastic, paper, or metal;
- (4) materials that are not readily biodegradable; or
- (5) any part of a swine."

Delete the title and insert:

"A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1733, A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 169.223, is amended to read:

169.223 [MOTORIZED BICYCLES.]

Subdivision 1. Except as otherwise provided in this section, section 169.974 relating to motorcycles is applicable to motorized bicycles, except that:

(1) motorized bicycles equipped with lighted headlights and taillights meeting the lighting requirements for motorcycles may be operated during nighttime hours;

(2) protective headgear includes headgear that meets the American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4-1984, approved by the American National Standards Institute, Inc.;

(3) protective headgear is not required for operators 18 years of age or older; and

(4) the provisions of section 169.222 governing the parking of bicycles apply to motorized bicycles.

Subd. 2. ~~Motorized bicycles shall not be operated on any bicycle way or bicycle lane, as those terms are defined in section 160.263. A motorized bicycle may be operated under either a driver's license or a motorized bicycle permit issued under section 171.02, subdivision 3. A person under the age of 16 operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit, except that:~~

(1) a parent or guardian of an operator under the age of 16 may also ride on the motorized bicycle as a passenger or operator, if the motorized bicycle is equipped with a seat and foot rests for a second passenger;

(2) a motorized bicycle equipped with a headlight and taillight meeting the requirements of lighting for motorcycles, may be operated during nighttime hours;

(3) protective headgear includes headgear described in subdivision 1; and

(4) protective headgear is required only until the operator reaches the age of 18 years.

Subd. 3. No person shall operate a motorized bicycle upon a sidewalk at any time, except when such operation is necessary for

the most direct access to a roadway from a driveway, alley or building. No person shall operate a motorized bicycle that is carrying any person other than the operator, except as allowed under subdivision 2.

Subd. 4. The provisions of section 169.974, subdivision 5, clause (i), apply to motorized bicycles that are equipped with headlights. After June 1, 1987, a new motorized bicycle sold or offered for sale in Minnesota must be equipped with a headlight.

Subd. 5. ~~When operated within a statutory or home rule charter city, a motorized bicycle is entitled to the full use of a traffic lane. No motor vehicle shall be driven or operated in a way that deprives a motorized bicycle of the full use of a traffic lane. When operated on a highway that is not within a statutory or home rule charter city, a motorized bicycle shall be operated on the paved portion of the shoulder, or, if the shoulder is not paved, as near as is practicable to the right-hand side of the roadway.~~ (a) A person operating a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except in one of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway; or

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) Persons operating motorized bicycles on a roadway may not ride more than two abreast and may not impede the normal and reasonable movement of traffic. On a laned roadway, a person operating a motorized bicycle shall ride within a single lane.

(c) This section does not permit the operation of a motorized bicycle on a bikeway or other lane bicycle path or bicycle lane that is reserved for the exclusive use of nonmotorized traffic.

Sec. 2. Minnesota Statutes 1987 Supplement, section 169.522, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraph (b), all animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry and other machinery, including all road construction machinery, which are designed for operation at a speed of 25 miles per hour or

less shall display a triangular slow-moving vehicle emblem except when being used in actual construction and maintenance work and traveling within the limits of a construction area which is marked in accordance with requirements of the manual of uniform traffic control devices, as set forth in section 169.06. The emblem shall consist of a fluorescent yellow-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it shall not be necessary to display a similar emblem on the secondary unit. After January 1, 1975, all slow-moving vehicle emblems sold in this state shall be so designed that when properly mounted they are visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of head lamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications shall be adopted by rule in accordance with the administrative procedure act. A violation of this section shall not be admissible evidence in any civil cause of action arising prior to January 1, 1970.

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used by a person holding a sincere religious belief prohibiting the display of the emblem described in paragraph (a), after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix the alternate slow-moving vehicle emblem to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red. The white reflective border of the alternate slow-moving vehicle emblem must be visible from a distance of not less than 600 feet to the rear.

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 traffic regulations; regulating the operation of motorized bicycles; providing for alternative emblems for slow-moving vehicles; amending Minnesota Statutes 1987 Supplement, sections 169.223; and 169.522, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1830, A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; amending Minnesota Statutes 1986, section 97A.435, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 97A.435, subdivision 2, is amended to read:

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 or possesses a firearms safety certificate.”

Amend the title as follows:

Page 1, line 2, delete “removing” and insert “qualifying”

With the recommendation that when so amended the bill pass.

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 1865, A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1896, A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 2. Minnesota Statutes 1986, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing support contributions by a parent found able to reimburse the county or state agency. Except as provided in subdivision 4, the order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and for five months thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any

county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 3. Minnesota Statutes 1986, section 256.87, subdivision 6, is amended to read:

Subd. 6. [NOTICE ENTRY OF DOCKETING JUDGMENT.] Any order for support or maintenance issued under this section shall provide for a conspicuous notice that, if the obligor fails to make the a support or maintenance payments payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due, and the obligee or public agency responsible for support or maintenance enforcement may obtain entry and docketing of a the judgment for the unpaid amounts under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 4. Minnesota Statutes 1986, section 256.87, is amended by adding a subdivision to read:

Subd. 6a. [NOTICE OF DOCKETING OF MAINTENANCE JUDGMENT.] Every order for maintenance issued under this section shall provide for a conspicuous notice that, if the obligor fails to make the maintenance payments, the obligee or public agency responsible for maintenance enforcement may obtain docketing of a judgment for the unpaid amount under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 5. Minnesota Statutes 1986, section 257.66, subdivision 5, is amended to read:

Subd. 5. [NOTICE ENTRY OF DOCKETING JUDGMENT.] Any order for support or maintenance issued under this section shall provide for a conspicuous notice that, if the obligor fails to make the a support payments payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due and the obligee or a public agency responsible for support enforcement may obtain entry and docketing of a the judgment for the unpaid amounts under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 6. Minnesota Statutes 1986, section 518.55, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF DOCKETING OF MAINTENANCE JUDGMENT.] Every order for support or maintenance shall provide

for a conspicuous notice that, if the obligor fails to make the support or maintenance payments, the obligee or a public agency responsible for maintenance or support enforcement may obtain docketing of a judgment for the unpaid amount under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 7. Minnesota Statutes 1986, section 518.55, is amended by adding a subdivision to read:

Subd. 2a. [ENTRY OF CHILD SUPPORT JUDGMENT.] Every order for support shall provide for a conspicuous notice that, if the obligor fails to make a support payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due, and the obligee or a public agency responsible for support enforcement may obtain entry and docketing of the judgment for the unpaid amount under the provisions of section 548.091.

Sec. 8. Minnesota Statutes 1986, section 518.551, subdivision 9, is amended to read:

Subd. 9. [ASSIGNMENT OF RIGHTS; JUDGMENT.] The public agency responsible for child support enforcement is joined as a party in each case in which rights are assigned under section 256.74, subdivision 5. The court administrator shall enter and docket a judgment obtained by operation of law under section 548.091, subdivision 1, in the name of the public agency to the extent that the obligation has been assigned. When arrearages are reduced to judgment under circumstances in which section 548.091 is not applicable, the court shall grant judgment in favor of, and in the name of, the public agency to the extent that the arrearages are assigned. After filing notice of an assignment with the court administrator, who shall enter the notice in the docket, the public agency may enforce a judgment entered before the assignment of rights as if the judgment were granted to it, and in its name, to the extent that the arrearages in that judgment are assigned.

Sec. 9. Minnesota Statutes 1986, section 518C.17, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF ORDER.] If the responding court finds a duty of support, it may order the obligor to furnish support or reimbursement therefor and subject the property of the obligor to the order. Support orders made under sections 518C.01 to 518C.36 shall require that payments be made as the responding court directs and the responding court shall order support payments under chapter 518. Every order for support shall provide for a conspicuous notice that, if the obligor fails to make the a support payments payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due, and the obligee or a public agency responsible for support enforcement may obtain entry and

docketing of a the judgment for the unpaid amounts under the provisions of section 548.091. ~~The notice shall enumerate the conditions that must be met before the judgment can be docketed.~~ The court and the prosecuting attorney of a county in which the obligor is present or has property have the same powers and duties to enforce the order as have those of the county in which it was first issued. If enforcement is impossible, or cannot be completed in the county in which the order was issued, the prosecuting attorney shall send a certified copy of the order to the prosecuting attorney of a county in which it appears that the proceedings to enforce the order would be effective. The prosecuting attorney to whom the certified copy of the order is forwarded shall proceed with enforcement and report the results of the proceedings to the court first issuing the order.

Sec. 10. Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1, is amended to read:

Subdivision 1. [DOCKETING OF MAINTENANCE JUDGMENT.] A judgment for unpaid amounts under a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, any of which provide that provides for installment or periodic payments of child support, maintenance, or reimbursement to a county for the cost of care, examination, or treatment of a child, or any combination of these items, shall be entered and docketed by the court administrator only when ordered by the court or when the following conditions are met:

(a) The obligee ~~or the public authority~~ determines that the obligor is at least 30 days in arrears;

(b) The obligee ~~or public authority~~ serves a copy of an affidavit of default and notice of intent to enter judgment on the obligor by mail at the obligor's last known post office address. Service shall be deemed complete upon mailing in the manner designated. The affidavit shall state the full name, occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid;

(c) The obligor fails within 20 days after mailing of the notice either to pay all unpaid amounts or to request a hearing on the issue of whether arrears claimed owing have been paid and to seek, ex parte, a stay of entry of judgment; and

(d) Not less than 20 days after service on the obligor in the manner provided, the obligee ~~or public authority~~ files with the court administrator the affidavit of default together with proof of service and, if payments have been received by the obligee ~~or public authority~~ since

execution of the affidavit of default, a supplemental affidavit setting forth the amount of payment received.

Sec. 11. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues from the date the judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 12. Minnesota Statutes 1986, section 548.091, subdivision 2, is amended to read:

Subd. 2. [AMOUNT AND SURVIVAL OF MAINTENANCE JUDGMENT.] The court administrator shall enter and docket judgment in the amount of each affidavit filed under subdivision 1 less any amount paid. From the time of docketing, the judgment is a lien in the amount unpaid upon all the real property in the county then or after owned by the judgment debtor. The judgment survives and the lien continues for ten years after its entry.

Sec. 13. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 2a. [DOCKETING OF CHILD SUPPORT JUDGMENT.] On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518C, an order under section 256.87, or an order under section 260.251, which provides for installment or periodic payments of child support;

(2) an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office

address of the obligor, the name and post office address of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, and the total amount of the judgments; and

(3) an affidavit of service of a notice of entry of judgment on the obligor, in person or by mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated.

Sec. 14. Minnesota Statutes 1986, section 548.091, subdivision 3, is amended to read:

Subd. 3. [MAINTENANCE JUDGMENTS DOCKETED PRIOR TO DEFAULT.] An obligor whose property is subject to the lien of a judgment for installment of periodic payments of ~~child support, maintenance, or both,~~ under section 548.09, and who claims that no amount of ~~support or~~ maintenance is in arrears, may move the court ex parte for an order directing the court administrator to vacate the lien of the judgment on the docket and register of the action where it was entered. The obligor shall file with the motion an affidavit stating that:

(a) The lien attached upon the docketing of a judgment or decree of dissolution or separate maintenance, ~~a determination of parentage, an order under the Reciprocal Enforcement of Support Act, or an order under section 256.87;~~

(b) The docketing was made while no installment or periodic payment of ~~child support, maintenance, or both,~~ was unpaid or overdue; and

(c) No installment or periodic payment of ~~child support, maintenance, or both,~~ that was due prior to the filing of the motion remains unpaid or overdue.

The court shall grant the obligor's motion as soon as possible if the pleadings and affidavit show that there is and has been no default.

Sec. 15. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 3a. [ENTRY, DOCKETING, AND SURVIVAL OF CHILD SUPPORT JUDGMENT.] Upon receipt of the documents filed under subdivision 2a, the court administrator shall enter and docket the judgment in the amount of the default specified in the affidavit of default. From the time of docketing, the judgment is a lien upon all the real property in the county owned by the judgment debtor. The judgment survives and the lien continues for ten years after the date the judgment was docketed.

Sec. 16. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 4. [CHILD SUPPORT HEARING.] A child support obligor may request a hearing under the rules of civil procedure on the issue of whether the judgment amount or amounts have been paid and may move the court for an order directing the court administrator to vacate the judgment or judgments on the docket and register in any county or other jurisdiction in which judgment or judgments were entered pursuant to this action.

The court shall grant the obligor's motion if it determines that there is no default.

Sec. 17. [EFFECTIVE DATE.]

This act is effective the day after final enactment and applies to all support payments due on or after the effective date and to all unpaid payments which have not been reduced to judgment by the effective date."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, 6, and by adding a subdivision; 257.66, subdivision 5; 518.55, subdivision 2, and by adding a subdivision; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 1898, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1900, A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1932, A bill for an act relating to insurance; accident and health; exempting child health supervision services and prenatal care services from any requirement of coinsurance or dollar limitation; 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. [62A.047] [CHILDREN’S HEALTH SERVICES.]

No policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, shall be issued, renewed, continued, delivered, issued for delivery, or executed in this state, or approved for issuance or renewal in this state by the commissioner of commerce unless the policy or contract specifically exempts reasonable and customary charges for child health supervision services and perinatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. Nothing in this section shall apply to a commercial health insurance policy issued as a companion to a health maintenance organization contract. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section.

“Child health supervision services” means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from two years old to six years old.

“Perinatal care services” means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, labor, delivery, and postpartum period including risk assessment, serial surveillance, prenatal education, use of specialized skills and technology, when needed, observation of the mother and infant, preparation for discharge, and follow-up during the postpartum period.”

Amend the title as follows:

Page 1, line 3, delete “prenatal” and insert “perinatal”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1956, A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, delete lines 16 to 19, and insert:

“A person who is a party to a custody proceeding under chapters 518, 518A, or 518B, or sections 257.51 to 257.74, who alleges to another person that another party to the custody proceeding has committed sexual abuse, physical abuse, or neglect of a child, as defined in section 626.556, subdivision 2, knowing that the allegation is false or having no reason to believe that the alleged abuse or neglect has occurred, and intending that the allegation influence the custody proceeding, is guilty of a misdemeanor.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2047, A bill for an act relating to transportation; exempting private carriers from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 221.033, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Except as provided in subdivisions 2 and 3 to 4, no person may transport or have transported or shipped within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 1801 to 1811 and the provisions of Code of Federal Regulations, title 49, sections 171 to 199.

Sec. 2. Minnesota Statutes 1986, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [EXCEPTION.] A private carrier transporting gasoline, diesel fuel, or aviation fuel in a tank, that is securely mounted on a motor vehicle owned by the private carrier and has a capacity not exceeding 1,000 gallons, for use in fueling equipment owned and used by the private carrier in an agriculture-related business, is not subject to the requirements of the Code of Federal Regulations, title 49, sections 173.33(a), 173.119(a)(17), 178.340, 178.341, and 391.11(b)(1). This exception applies only to private carriers engaged in intrastate commerce.”

Delete the title and insert:

“A bill for an act relating to transportation; exempting certain private carriers of fuel for use in agriculture-related businesses from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 1, and by adding a subdivision.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2080, A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision

7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 4, after the period insert "In establishing services the commissioner shall cooperate with existing agencies to avoid duplication of available services to the extent feasible."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2100, A bill for an act relating to motor vehicles; extending time for dealers to transfer motor vehicle title certificate; amending Minnesota Statutes 1986, section 168A.04, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 15, after "15" insert "working"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2128, A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; providing a defense for museum operators to a charge of possessing certain dangerous weapons; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, sections 471.634; 609.66, subdivision 2; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 471.634, is amended to read:

471.634 [DEFINITION.]

For purposes of section 471.633, the terms "municipal corporation" and "governmental subdivision," or instrumentality thereof, do not include:

(1) school districts and other entities composed exclusively of school districts, the University of Minnesota, a state university, or a community college, when school boards or school administrators are regulating school grounds, school facilities, school transportation services, school programs, or the conduct of students at any activities conducted under the direct or indirect supervision or control of the school board or administration; or

(2) the metropolitan airport commission or the metropolitan stadium commission when it is regulating the possession of firearms within buildings that are located on real property owned by the commission.

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.67, subdivision 3, is amended to read:

Subd. 3. [USES PERMITTED.] The following persons may own or possess a machine gun or short-barreled shotgun provided the provisions of subdivision 4 are complied with:

(1) law enforcement officers for use in the course of their duties;

(2) chief executive officers of correctional facilities and other personnel thereof authorized by them and persons in charge of other institutions for the retention of persons convicted or accused of crime, for use in the course of their duties;

(3) persons possessing machine guns or short-barreled shotguns which, although designed as weapons, have been determined by the superintendent of the bureau of criminal apprehension or the superintendent's delegate by reason of the date of manufacture, value, design or other characteristics to be primarily collector's items, relics, museum pieces or objects of curiosity, ornaments or keepsakes, and are not likely to be used as weapons;

(4) manufacturers of ammunition who possess and use machine guns for the sole purpose of testing ammunition manufactured for sale to law enforcement agencies and correctional facilities; and

(5) dealers and manufacturers who are federally licensed to buy and sell, or manufacture machine guns or short-barreled shotguns and who either use the machine guns or short-barreled shotguns in peace officer training under courses approved by the board of peace officer standards and training, or are engaged in the sale of machine

guns or short-barreled shotguns to Minnesota law enforcement agencies and will use the machine gun or short-barreled shotgun for law enforcement sales demonstrations.

Sec. 3. Minnesota Statutes 1987 Supplement, section 609.67, subdivision 4, is amended to read:

Subd. 4. [REPORT REQUIRED.] (a) A person owning or possessing a machine gun or short-barreled shotgun as authorized by subdivision 3, clause (1), (2), (3), or (4) shall, within ten days after acquiring such ownership or possession, file a written report with the bureau of criminal apprehension, showing the person's name and address; the person's official title and position, if any; a description of the machine gun or short-barreled shotgun sufficient to enable identification thereof; the purpose for which it is owned or possessed; and such further information as the bureau may reasonably require.

(b) Unless required to report under paragraph (a), a dealer or manufacturer owning or having a machine gun or short-barreled shotgun as authorized by subdivision 3, clause (5) shall, by the tenth day of each month, file a written report with the bureau of criminal apprehension showing the name and address of the dealer or manufacturer and, the manufacturer, model, and serial number of each machine gun or short-barreled shotgun acquired or manufactured during the previous month.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 3 are effective the day following final enactment. Section 2 is effective August 1, 1988, and applies to crimes committed on or after that date.

Delete the title and insert:

"A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, section 471.634; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2146, A bill for an act relating to education; appointing a voting student member to the higher education coordinating board; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7.

Reported the same back with the following amendments:

Page 2, line 2, after the period insert "A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but must not otherwise be employed or compensated by a post-secondary institution while serving on the board."

Page 3, after line 20, insert:

"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.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2148, A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a children's intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary; proposing coding for new law in Minnesota Statutes, chapter 631.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 626.559, subdivision 1, is amended to read:

Subdivision 1. [JOB CLASSIFICATION; CONTINUING AND PRESERVICE EDUCATION.] The commissioner of human services, for employees subject to the Minnesota merit system, and directors of county personnel systems, for counties not subject to the Minnesota merit system, shall establish a job classification consisting exclusively of persons with the specialized knowledge, skills, and experience required to satisfactorily perform child protection duties pursuant to section 626.556, subdivisions 10, 10a, and 10b who have

completed preservice training under section 2. Only individuals who meet the criteria for this job classification are eligible for employment as child protection workers.

All child protection workers or social services staff having responsibility for child protective duties under section 626.556, subdivisions 10, 10a, and 10b, shall receive 15 hours of continuing education or in-service training each year. The local social service agency shall submit an annual plan for the provision of these hours of education and training to the commissioner of human services for approval.

Sec. 2. [626.5591] [CHILD PROTECTION WORKERS; TRAINING; ADVISORY COMMITTEE.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meaning given unless the specific context indicates otherwise:

(a) "Child protection agency" means an agency authorized to receive reports, conduct assessments and investigations, and make determinations pursuant to section 626.556, subdivision 10.

(b) "Child protection services" means the receipt, classification, and assessment of reports of child abuse and neglect, including (1) the assessment of risk to a child alleged to have been abused, (2) interviews of a person alleged to have abused a child and the child or children involved in the report, and interviews with persons having facts or knowledge necessary to assess the level of risk to a child and the need for protective intervention, (3) the gathering of written or evidentiary materials, (4) the recording of case findings, and (5) other actions required by section 626.556, administrative rule, or agency policy, but excluding administrative practices necessary solely for the collection of data.

(c) "Competency-based training" means a course of experiential and didactic instructional activity which is based upon specifically stated and clearly measurable instructional objectives and which requires demonstration of the achievement of a particular standard of skills and knowledge for satisfactory completion.

(d) "Preservice training" means training provided to local child protection workers before they perform official job duties in a local child protection agency.

(e) "Early inservice training" means training provided to a local child protection worker after the person has begun to perform child protection duties, but before the expiration of six months of job service.

(f) "Ongoing inservice training" means training provided to a local child protection worker after the person has performed an initial six months of job service.

Subd. 2. [TRAINING PROGRAM.] The commissioner of human services shall develop and implement a program of competency-based training which provides instruction for child protection workers who are hired to provide child protection services on or after the effective date of this section. The program shall include: (1) compulsory preservice training for child protection workers; and (2) early inservice training for child protection workers that includes work-site observation and evaluation, and demonstrated application of skills and knowledge. This training shall be made available throughout the state at reasonable intervals. The training shall be coordinated with ongoing inservice child protection worker training, but shall not include that training.

Sec. 3. [626.5592] [STEERING COMMITTEE.]

Subdivision 1. [APPOINTMENT.] The commissioner of human services shall appoint a steering committee to assist in the implementation of section 2.

Subd. 2. [MEMBERSHIP.] The steering committee shall consist of the following members:

(1) two individuals who are in a supervisory capacity in a local child protection agency;

(2) two individuals who are child protection workers with significant experience;

(3) one individual who has expertise in training and development;

(4) one law enforcement officer; and

(5) three individuals who have particular expertise in any aspect of child protection services described in section 2.

Subd. 3. [DUTIES.] The steering committee shall:

(1) advise the commissioner regarding the format and content of training to be provided under section 2;

(2) review and approve a two-year plan for implementation of section 2;

(3) make recommendations as to the staffing and operation of section 2;

(4) submit a semiannual report to the legislature on the implementation of section 2; and

(5) review implementation steps on a regular basis, and recommend necessary changes in department or public policy.

Subd. 4. [COMPENSATION.] The steering committee shall serve without compensation.

Sec. 4. [631.047] [APPOINTMENT OF CHILD INTERMEDIARY IN CERTAIN CHILD ABUSE CASES; PILOT PROGRAM.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Child abuse" means any act which involves a minor victim and which constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.255, 609.342, 609.343, 609.344, 609.345, 609.377, or 609.378.

(b) "Significant relationship" means a relationship as defined by Minnesota Statutes, section 609.341, subdivision 15.

(c) "Child" means a person under the age of 18 who is the alleged victim of child abuse perpetrated by an adult who has a significant relationship with the child victim.

Subd. 2. [ESTABLISHMENT OF PILOT PROGRAM.] Until July 1, 1989, a county board may establish a three-year pilot project authorizing the appointment of a child intermediary under this section and setting forth criteria for selecting and training the intermediary and monitoring the program. The intermediaries may be paid or may be volunteers, but shall function independently of the county human services agency, the county attorney's office, local law enforcement agencies, and the public defender's office.

By January 1, 1991, a county participating in the program must report to the legislature the interim results of its pilot program. The county must submit a final report of the results of the program to the legislature by January 1, 1993.

Subd. 3. [APPOINTMENT BY COURT.] In a county with a pilot program established under subdivision 2, a child intermediary may be appointed by the district court at the time a criminal charge is filed alleging child abuse against a child by an adult who has a significant relationship with that child. In making the appointment, the court shall consider the person's background in and familiarity with the judicial process, social service programs, and child abuse. If a guardian ad litem or other representative has been appointed to represent the child in concurrent judicial proceedings, the district

court shall appoint the same individual to be the child intermediary if possible and if qualifications are met. The court must not appoint as a child intermediary a person who is likely to be a witness in any proceeding associated with the alleged child abuse.

Subd. 4. [DUTIES.] A child intermediary's duties include the following:

(1) protecting the child from unnecessary further trauma by marshalling and coordinating the delivery of available resources and special services to the child and the child's family;

(2) advising the court as to the child's special needs with regard to pretrial interviews, deposition or trial testimony, and the expediting of proceedings, and with respect to the child's ability to understand the process;

(3) advising the prosecuting attorney as to a child's ability to cooperate with the prosecution, and the potential effects of the proceedings on the child; and

(4) guaranteeing that the rights established for victims in section 611A.037 are extended to the child or to the child intermediary on the child's behalf.

Subd. 5. [POWERS.] A child intermediary has the power to:

(1) gain access to all reports, records, and other data relating to assessments, evaluations, or examinations of the child, not including attorneys' work product; and

(2) make motions or objections to motions and petition the court for the appointment of an attorney for the intermediary if necessary to adequately protect the best interests of the child.

The intermediary may not introduce evidence or examine or cross-examine witnesses in the presence of the jury.

Subd. 6. [WITNESS PRIVILEGE.] Notwithstanding section 595.02, subdivision 1, child intermediaries appointed in child abuse cases under this section may not be compelled to testify in any court action or proceeding about any opinion or information received from or about the child victim in the course of serving as an intermediary."

Delete the title and insert:

"A bill for an act relating to child abuse; providing for the training of child protection workers; providing a pilot program for child intermediaries in child abuse situations; amending Minnesota Stat-

utes 1986, section 626.559, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2167, A bill for an act relating to crimes; making it a crime for athletic agents to induce student athletes to enter into agent contracts or professional sport services contracts before the athletes' collegiate eligibility expires; making it a crime for athletic agents to offer anything of value to employees of institutions of higher education in return for referral of student athlete clients; prescribing penalties; 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. [325E.32] [MISCONDUCT OF ATHLETIC AGENTS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) “Student athlete” means a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition, or program. The term includes any individual who may be eligible to engage in collegiate sports in the future.

(c) “Athletic director” means the person discharging the duties of coordinating and administering the overall athletic program for the educational institution attended by the student athlete.

(d) “Educational institution” means the public or private high school, college, junior college, or university that the student athlete last attended or to which the student athlete has expressed written intention to attend.

Subd. 2. [WAIVER OF ELIGIBILITY.] A student athlete's waiver of intercollegiate athletic eligibility is not effective until the waiver of eligibility form prescribed by this subdivision has been filed with the offices of the secretary of state and the athletic director for seven days. The waiver is considered to have been on file seven days as of the eighth day after the receipt by the offices of the secretary of state and the athletic director of the completed waiver of eligibility form

prescribed by this subdivision. The original waiver is to be filed with the secretary of state and must be available for public inspection in the office of the secretary of state during normal business hours. The waiver form must provide:

“WAIVER OF INTERCOLLEGIATE ATHLETIC ELIGIBILITY

I,, hereby waive any and all intercollegiate athletic eligibility. This waiver is not effective until seven days after it has been received by the Minnesota secretary of state and the office of the athletic director.

This waiver is revocable until my intercollegiate athletic eligibility is terminated as a result of my entering either a contract with an athletic agent or a professional sports contract.

.....

STUDENT ATHLETE

.....

EDUCATIONAL INSTITUTION

.....

DATE”

Subd. 3. [REPRESENTATION OF CERTAIN ATHLETES PROHIBITED.] A person may not, before the effective date of a student athlete’s waiver of intercollegiate athletic eligibility, enter into a contract, written or oral, with a student athlete to:

- (1) serve as the agent of the student athlete in obtaining a professional sports contract; or
- (2) represent the student athlete or a professional sports organization in obtaining a professional sports contract for or with a student athlete.

A person who violates this subdivision is subject to the remedies under section 8.31, except that a civil penalty imposed under that section may be not more than \$100,000, or three times the amount given, offered, or promised as an inducement for the student athlete to enter the agency contract or professional sports contract, exclusive of the compensation provided by the professional sports contract, whichever is greater.

Subd. 4. [INFLUENCING OF EDUCATIONAL INSTITUTION

EMPLOYEES PROHIBITED.] A person may not offer, give, or promise to give an employee of an educational institution, directly or indirectly, any benefit, reward, or consideration to which the employee is not legally entitled, with the intent that:

(1) the employee will influence a student athlete to enter into a contract with the person to serve as the athlete's agent or to enter into a professional sports contract; or

(2) the employee will refer student athletes to the person.

A person who violates this subdivision is subject to the remedies under section 8.31, except that a civil penalty imposed under that section may be not more than \$100,000, or three times the value offered to the employee in violating this subdivision, whichever is greater.

Subd. 5. [VOIDABILITY OF CONTRACT.] A contract entered into in violation of subdivision 3 is voidable by the student athlete. If voided by the student athlete, the athletic agent shall return to the student athlete any compensation received under the contract. The athletic agent shall also pay reasonable attorney's fees and costs incurred by a student athlete in any action or defense under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to violations committed on or after that date."

Delete the title and insert:

"A bill for an act relating to student athletics; prohibiting persons from entering into a contract to serve as the agent of a student athlete or represent a student athlete or professional sports organization in obtaining a professional sports contract with a student athlete before expiration of the student athlete's collegiate eligibility unless the athlete has executed an effective waiver of eligibility; prohibiting a person from offering anything of value to an employee of an educational institution in return for the employee's influence on a student athlete to enter into contracts with agents or professional sports contracts or for the referral of student athlete clients; imposing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 325E."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2205, A bill for an act relating to crimes; requiring a warning label on replica firearms; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 1, line 10, delete "or otherwise" and insert "and"

Page 1, line 25, delete "red" and delete "against a white" and insert "that strongly contrasts the"

Page 2, line 3, delete "specifically"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2227, A bill for an act relating to the environment; creating a task force to study certain issues relating to genetic engineering.

Reported the same back with the following amendments:

Page 2, after line 10, insert:

"The members shall serve without compensation."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 2234, A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

Reported the same back with the following amendments:

Page 1, line 17, after "board" insert ", subject to the approval of the mayor,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2241, A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 20, delete "careless driving, which is"

Pages 1 and 2, delete section 2

Page 2, line 5, delete "3" and insert "2"

Page 2, line 6, delete "Sections 1 and 2 are" and insert "Section 1 is"

Page 2, line 6, delete "apply" and insert "applies"

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "for speeding violations;"

Page 1, line 6, delete "sections" and insert "section" and delete everything after "2" and insert a period

Page 1, delete line 7

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2249, A bill for an act relating to economic development;

establishing a Minnesota main street grant program; establishing a celebrate Minnesota 1990 advisory committee; establishing a Minnesota marketplace program; authorizing certain fund transfers; appropriating money; amending Minnesota Statutes 1987 Supplement, section 116J.981; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 8, line 17, delete "getting the approval of" and insert "notifying"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2343, A bill for an act relating to information management; providing for an inventory, referral, and intake system for jobs and training and income maintenance services; appropriating money; amending Minnesota Statutes 1986, section 268.86, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.01, subdivision 4.

Reported the same back with the following amendments:

Page 3, line 9, delete "combined" and insert "coordinated"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2370, A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2378, A bill for an act relating to retirement; Minnesota state retirement system; authorizing the purchase of prior service credit by certain metropolitan sports facilities commission employees; repealing Minnesota Statutes 1986, section 473.565, subdivisions 3 and 4.

Reported the same back with the following amendments:

Page 2, after line 33, insert:

“Sec. 2. [PURCHASE OF PRIOR SERVICE; FOND DU LAC INDIAN RESERVATION.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding any provision of law to the contrary, any person who is currently a state employee, and a member of the Minnesota state retirement system, and who has prior service as an employee of the Fond du Lac Indian Reservation from July 2, 1973, to December 29, 1980, shall be entitled to purchase service credit from the public employees retirement association for any period of the military service or employment by the Fond du Lac Indian Reservation for which the person has not previously received service credit.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] For any person eligible to purchase credit for prior service as provided in subdivision 1, there shall be paid to the public employees retirement association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity which would be obtained by virtue of the purchase of the additional service credit, using the interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the applicable mortality table adopted for the public employees retirement association and assuming continuous future service in the Minnesota state retirement system until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, for the retirement association, and a future salary history which includes annual salary increases at the salary increase rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service must establish in the records of the retirement fund or

association proof of the service for which the purchase of prior service is requested. The manner of the proof of service shall be in accordance with procedures prescribed by the executive director of the retirement association.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment shall be made in one lump sum, unless the executive director of the retirement association agrees to accept payment in installments over a period of not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service shall be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment shall be made by the person entitled to purchase prior service. However, the current or former employer of the person may, at its discretion, pay all or any portion of the payment amount which exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent per annum compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Subd. 5. [TIME LIMIT ON AUTHORITY.] The authority to make a lump sum payment or to make an agreement to make installments shall expire on January 1, 1989."

Page 3, line 2, delete "and 2" and insert "2, and 3"

Re-number the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "Minnesota state retirement system;"

Page 1, line 5, after the semicolon insert "authorizing the purchase of credit for prior service as an employee of the Fond du Lac Indian Reservation;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2378 was re-referred to the Committee on Rules and Legislative Administration.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market study and plan; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 2, delete lines 21 to 36, and insert "means the compounded maturity amount of the bond."

Subd. 4. [DIRECT SALE PERMITTED.] Notwithstanding the provisions of section 2, subdivision 5, the commissioner may sell any series of college savings bonds directly to the public or to financial institutions for prompt resale to the public upon the terms and conditions and the restrictions the commissioner prescribes. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost effective manner, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services."

Page 3, line 1, delete "6" and insert "5"

Page 3, line 7, delete "7" and insert "6"

Page 3, line 13, delete "8" and insert "7"

Page 3, line 15, delete "6" and insert "5"

Page 3, after line 16, insert:

"Sec. 2. [16A.652] [ZERO COUPON BONDS.]

Subdivision 1. [AUTHORITY TO ISSUE.] When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as serial maturity bonds or as zero coupon bonds or a combination of the two.

Subd. 2. [DEFINITIONS.] For purposes of sections 1 and 2, the following terms have the meanings given them.

(a) "Compounded maturity" means the amount of principal and interest payable at maturity on zero coupon bonds.

(b) "Serial maturity bonds" means bonds maturing on a specified day in two or more consecutive years and bearing interest at a specified rate payable periodically to maturity or prior redemption.

(c) "Zero coupon bonds" means bonds in a stated principal amount, maturing on a specified date or dates, and bearing interest that accrues and compounds to and is payable only at maturity or upon prior redemption of the bonds.

Subd. 3. [METHOD OF SALE; PRINCIPAL AMOUNT.] Except as otherwise provided by this section or section 1, any series of bonds including zero coupon bonds must be issued and sold under the provisions of section 16A.641. The stated principal amount of zero coupon bonds must be used to determine the principal amount of bonds issued under the laws authorizing issuance of state general obligation bonds.

Subd. 4. [SINKING FUND.] The commissioner's order authorizing the issuance of zero coupon bonds shall establish a separate sinking fund account for the zero coupon bonds in the state bond fund. There is annually appropriated from the general fund to each zero coupon bond account, beginning in the year in which the zero coupon bonds are issued, an amount not less than the sum of:

(1) the total stated principal amount of the zero coupon bonds that would have matured from their date of issue to and including the second July 1 following the transfer of appropriated money, if the bonds matured serially in an equal principal amount in each year during their term and in the same month as their stated maturity date; plus

(2) the total amount of interest accruing on the stated principal amount of the bonds and on interest previously accrued, from the bonds' date of issue to and including the second July 1 following the transfer of appropriated money; less

(3) the amount in the sinking fund account for the payment of the compounded maturity amount of the bonds, including interest earnings on amounts in the account. This appropriation is in lieu of all other appropriations made with respect to zero coupon bonds. The appropriated amounts must be transferred from the general fund to the sinking fund account in the state bond fund by December 1 of each year.

Subd. 5. [SALE.] Except as otherwise provided in section 1, zero coupon bonds, or a series of bonds including zero coupon bonds, must be sold at public sale at price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest."

Page 3, line 17, delete "2" and insert "3"

Page 3, line 18, after "enactment" insert "and applies to authori-

zations of state bonds under laws enacted before or after the effective date of this act”

Amend the title as follows:

Page 1, line 3, after the second semicolon insert “authorizing the issuance of zero coupon bonds;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2430, A bill for an act relating to dogs; identifying and requiring licenses for potentially dangerous dogs; requiring licenses for pet stores and sellers who sell and kennels who keep potentially dangerous dogs; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 347.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [347.50] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purpose of sections 1 to 5, the terms defined in this section have the meanings given them.

Subd. 2. [DANGEROUS DOG.] “Dangerous dog” means any dog that has:

(1) without provocation, inflicted substantial bodily harm on a human being on public or private property;

(2) killed a domestic animal without provocation while off the owner’s property; or

(3) been found to be potentially dangerous, and after the owner has notice that the dog is potentially dangerous, the dog aggressively bites, attacks, or endangers the safety of humans or domestic animals.

Subd. 3. [POTENTIALLY DANGEROUS DOG.] “Potentially dangerous dog” means any dog that:

(1) when unprovoked, inflicts bites on a human or domestic animal on public or private property;

(2) when unprovoked, chases or approaches a person upon the streets, sidewalks, or any public property in an apparent attitude of attack; or

(3) has a known propensity, tendency, or disposition to attack unprovoked, causing injury or otherwise threatening the safety of humans or domestic animals.

Subd. 4. [PROPER ENCLOSURE.] "Proper enclosure" means securely confined indoors or in a securely enclosed and locked pen or structure suitable to prevent the animal from escaping and providing protection from the elements for the dog.

Subd. 5. [OWNER.] "Owner" means any person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having custody or control of a dog.

Subd. 6. [SUBSTANTIAL BODILY HARM.] "Substantial bodily harm" has the meaning given it under section 609.02, subdivision 7a.

Sec. 2. [347.51] [DANGEROUS DOGS; REGISTRATION.]

Subdivision 1. [REQUIREMENT.] No person may own a dangerous dog in this state unless the dog is registered as provided in this section.

Subd. 2. [REGISTRATION.] A county shall issue a certificate of registration to the owner of a dangerous dog if the owner presents sufficient evidence that:

(1) a proper enclosure exists for the dangerous dog and a posting on the premises with a clearly visible warning sign, including a warning symbol to inform children, that there is a dangerous dog on the property; and

(2) a surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the county in the sum of at least \$50,000, payable to any person injured by the dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least \$50,000, insuring the owner for any personal injuries inflicted by the dangerous dog.

Subd. 3. [FEE.] The county may charge the owner an annual fee, in addition to any regular dog licensing fees, to obtain a certificate of registration for a dangerous dog under this section.

Subd. 4. [LAW ENFORCEMENT; EXEMPTION.] The provisions

of this section do not apply to dangerous dogs used by law enforcement officials for police work.

Subd. 5. [EXEMPTION.] Dogs may not be declared dangerous if the threat, injury, or damage was sustained by a person:

(1) who was committing, at the time, a willful trespass or other tort upon the premises occupied by the owner of the dog;

(2) who was provoking, tormenting, abusing, or assaulting the dog or has, in the past, been observed or reported to have provoked, tormented, abused, or assaulted the dog; or

(3) who was committing or attempting to commit a crime.

Subd. 6. [COUNTIES WITHOUT LICENSING SYSTEMS.] If an owner of a dangerous dog resides in a county that does not license dogs under sections 347.08 to 347.21, the owner shall obtain a certificate as required under this section from the county auditor in the county where the owner resides.

Sec. 3. [347.52] [DANGEROUS DOGS; REQUIREMENTS.]

An owner of a dangerous dog shall keep the dangerous dog, while on the owner's property, in a proper enclosure. If the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash and under the physical restraint of a responsible person. The muzzle must be made in a manner that will prevent the dog from biting any person or animal, but that will not cause injury to the dog or interfere with its vision or respiration.

Sec. 4. [347.53] [POTENTIALLY DANGEROUS DOGS.]

Any statutory or home rule charter city, or any county, may regulate potentially dangerous dogs. Nothing in sections 1 to 5 limits any restrictions the local jurisdictions may place on owners of potentially dangerous dogs.

Sec. 5. [347.54] [CONFISCATION.]

Subdivision 1. [DANGEROUS DOGS.] The county shall immediately confiscate any dangerous dog if:

(1) the dog is not validly registered under section 2;

(2) the owner does not secure the proper liability insurance or surety coverage as required under section 2, subdivision 2;

(3) the dog is not maintained in the proper enclosure; or

(4) the dog is outside the proper enclosure and not under physical restraint of a responsible person as required under section 3."

Delete the title and insert:

"A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; proposing coding for new law in Minnesota Statutes, chapter 347."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2461, A bill for an act relating to state and local governments; extending the requirement that vendors be paid promptly for goods and services to cover providers of medical and social services; setting a deadline for the resolution of disputed obligations by municipalities; amending Minnesota Statutes 1986, sections 16A.124, subdivisions 1 and 5; and 471.425, subdivisions 1 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16A.124, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings here given them.

(a) "Commissioner" means the commissioner of finance.

(b) "State agency" has the meaning assigned to it in section 16B.01.

(c) "Vendor" means a provider of goods or services to the state and includes a provider of day care and other services to children, day or residential services to persons who are mentally ill or mentally retarded or who have related conditions, services to persons who are chemically dependent, and nursing home care. Vendor includes providers of services that are licensed or authorized under Minnesota Rules, parts 9502.0300 to 9502.0445, 9510.1020 to 9510.1140, 9525.0500 to 9525.0660, 9525.0750 to 9525.0830, 9525.1800 to 9525.1930, 9540.1000 to 9540.1500, 9545.0010 to 9545.0260, 9545.0510 to 9545.0670, 9545.0900 to 9545.1090, 9545.1400 to

9545.1500, 9553.0010 to 9553.0080, 9549.0010 to 9549.0080, 9555.6100 to 9555.6400, and 9570.2000 to 9570.3600.

Sec. 2. Minnesota Statutes 1986, section 471.425, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings here given them.

(a) "Contract" means any written legal document or documents signed by both parties in which the terms and conditions of any interest or other penalty for late payments are clearly stated.

(b) "Date of receipt" means the completed delivery of the goods or services or the satisfactory installation, assembly or specified portion thereof, or the receipt of the invoice for the delivery of the goods or services, whichever is later.

(c) "Governing board" means the elected or appointed board of the municipality and includes, but is not limited to, city councils, town boards and county boards.

(d) "Municipality" means any home rule charter or statutory city, county, town, school district, political subdivision or agency of local government. "Municipality" means the metropolitan council or any board or agency created under chapter 473.

(e) "Vendor" means a provider of goods or services to the state and includes a provider of day care and other services to children, day or residential services to persons who are mentally ill or mentally retarded or who have related conditions, services to persons who are chemically dependent, and nursing home care. Vendor includes providers of services that are licensed or authorized under Minnesota Rules, parts 9502.0300 to 9502.0445, 9510.1020 to 9510.1140, 9525.0500 to 9525.0660, 9525.0750 to 9525.0830, 9525.1800 to 9525.1930, 9540.1000 to 9540.1500, 9545.0010 to 9545.0260, 9545.0510 to 9545.0670, 9545.0900 to 9545.1090, 9545.1400 to 9545.1500, 9553.0010 to 9553.0080, 9549.0010 to 9549.0080, 9555.6100 to 9555.6400, and 9570.2000 to 9570.3600.

Sec. 3. Minnesota Statutes 1986, section 471.425, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF INTEREST ON LATE PAYMENTS REQUIRED.] (a) Except otherwise provided in this section, a municipality shall calculate and pay interest to a vendor if the municipality has not paid the obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period as defined in subdivision 2. The standard payment period for a negotiated contract or agreement between a vendor and

a municipality which requires an audit by the municipality before acceptance and payment of the vendor's invoice shall not be begun until the completion of the audit by the municipality.

(b) The rate of interest calculated and paid by the municipality on the outstanding balance of the obligation not paid according to the terms of the contract or during the standard payment period shall be 1½ percent per month or part of a month.

(c) No interest penalties may accrue against a purchaser who delays payment of a vendor obligation due to a good faith dispute with the vendor regarding the fitness of the product or service, contract compliance, or any defect, error or omission related thereto, provided that the dispute must be settled within 30 days after the expiration of the standard payment period. If such delay undertaken by the municipality is not in good faith, the vendor may recover costs and attorney's fees.

(d) The minimum monthly interest penalty payment that a municipality shall calculate and pay a vendor for the unpaid balance for any one overdue bill of \$100 or more is \$10. For unpaid balances of less than \$100, the municipality shall calculate and pay the actual interest penalty due the vendor."

Amend the title as follows:

Page 1, line 8, delete "subdivisions" and insert "subdivision" and delete "and 5"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2486, A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [626.5571] [MULTIDISCIPLINARY ADULT PROTECTION TEAM.]

Subdivision 1. [ESTABLISHMENT OF THE TEAM.] A county may establish a multidisciplinary adult protection team comprised of the director of the local welfare agency or designees, the county attorney or designees, the county sheriff or designees, and representatives of health care. In addition, representatives of mental health or other appropriate human service agencies and adult advocate groups may be added to the adult protection team.

Subd. 2. [DUTIES OF TEAM.] A multidisciplinary adult protection team may provide public and professional education, develop resources for prevention, intervention, and treatment, and provide case consultation to the local welfare agency to better enable the agency to carry out its adult protection functions under section 626.557 and the community social services act, and to meet the community's needs for adult protection services. Case consultation may be performed by a committee of the team composed of the team members representing social services, law enforcement, the county attorney, health care, and persons directly involved in an individual case as determined by the case consultation committee. Case consultation is a case review process that results in recommendations about services to be provided to the identified adult and family."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2489, A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 13, insert:

"Sec. 2. [CONVEYANCE OF STATE LAND; COOK COUNTY.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may offer for sale and sell, in the manner provided for the sale of other trust fund lands, the land described in subdivision 3, except that the value of the improvements on the land must be appraised separately. The conveyance must be in a form approved by the attorney general.

Subd. 2. [CONDITIONS OF SALE.] (a) If at the sale of the land

Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie are the purchasers, they are not required to pay for the improvements on furnishing an affidavit showing that the improvements were paid by any or all of them.

(b) If a person other than Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie purchases the land, the purchaser shall pay in cash to the state at the time of sale, in addition to all required payments, the full amount for which improvements are appraised. The amount received by the state for the improvements must be paid by the commissioner of natural resources, with the approval of the commissioner of finance, to Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie or their successors in interest as compensation for the improvements. The money required for the payment is appropriated from the fund to which the sale proceeds are credited to the commissioner of natural resources for this purpose.

Subd. 3. [LAND DESCRIPTION.] The commissioner may offer for sale and sell the land described as: the north 100.00 feet of government lot 4 of Section 10, Township 62 North, Range 1 East, Cook county, Minnesota, lying easterly of the centerline of the existing United States Forest Service road.

Subd. 4. [REASON FOR SALE.] A cabin was inadvertently built on this state property and has been owned, occupied, and improved since it was built."

Page 2, line 14, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "authorizing sale of certain land in Cook county;"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2502, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2504, A bill for an act relating to workers' compensation; reassigning certain administrative duties; regulating reporting of injuries and information about injuries; regulating the payment of benefits; regulating the membership of the rehabilitation review panel; regulating rehabilitation services; changing certain administrative procedures; regulating dependent benefits; prohibiting excessive treatment or medical services; providing for data privacy; amending Minnesota Statutes 1986, sections 129A.05, subdivision 2; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.104, subdivision 1; 176.111, subdivisions 7 and 8; 176.135, by adding a subdivision; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3 and 4; 176.103, subdivision 3; 176.106, subdivisions 7 and 9; 176.131, subdivision 1; 176.135, subdivisions 1 and 6; 176.155, subdivision 1; 176.238, subdivisions 1 and 9; 176.305, subdivisions 1 and 4; repealing Minnesota Statutes 1986, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 13, insert:

"Sec. 2. Minnesota Statutes 1986, section 175.171, is amended to read:

175.171 [POWERS AND DUTIES, DEPARTMENT OF LABOR AND INDUSTRY.]

The department of labor and industry shall have the following powers and duties:

(1) To exercise all powers and perform all duties of the department consistent with the provisions of this chapter;

(2) To adopt reasonable and proper rules relative to the exercise of its powers and duties, and proper rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings, ~~which shall not be effective until ten days after their adoption, and a copy of these rules shall be delivered to every citizen making application therefor;~~

(3) To collect, collate, and publish statistical and other information relating to the work under its jurisdiction, to keep records and

to make public reports in its judgment necessary; and on or before October 1 in each even-numbered year the department shall report its doings, conclusions, and recommendations to the governor, which report shall be printed and distributed by November 15 of each even-numbered year to the legislature pursuant to section 3.195, and otherwise as the department may direct;

(4) To establish and maintain branch offices as needed for the conduct of its affairs.”

Page 7, after line 30, insert:

“Sec. 7. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation vendors, and qualified rehabilitation consultants.”

Page 8, line 29, strike “to” and insert “, attorney, or health care provider involved in” and after “case” strike the old language and delete the new language

Page 8, line 30, strike “chiropractors”

Page 12, line 1, before “Any” insert “The decision of the commissioner is final unless”

Page 12, line 2, strike “of the commissioner may request” and insert “requests”

Page 12, line 7, delete "and complete"

Page 12, line 26, delete everything after "appealed" and insert "is final for the particular dispute that was decided; however, the causation determination is not binding in subsequent disputes, except for the particular dispute that was previously decided."

Page 12, delete line 27

Page 15, after line 33, insert:

"Sec. 19. Minnesota Statutes 1986, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] Where permanent rules have been adopted to implement this section, the commissioner shall annually give notice in the State Register of the 75th percentile to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 if the 75th percentile for the service data meets the requirements of paragraphs (a) to (e).

(a) The data base includes at least three different providers of the service.

(b) The data base contains at least 20 billings for the service.

(c) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less. The value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile.

(d) The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other.

(e) The data is taken from the data base of Blue Cross and Blue Shield ~~or the department of human services.~~

(e) If the commissioner identifies a problem with the data base such that the 75th percentile does not logically reflect the usual and customary charge, then, after consultation with the medical services review board, the commissioner may eliminate the category from the rules or adjust the rate to correct the inconsistency or error.

Page 19, lines 12 and 13, delete "medical data, benefit data, injury data, and employment"

Page 19, line 15, reinstate the stricken "under this"

Page 19, line 16, delete "are" and insert "chapter is"

Page 19, line 18, before the period insert "except as provided in this section"

Page 19, line 28, after "statistics" insert ", including statistics on individual employers and insurers"

Page 19, line 34, delete "under" and insert "pursuant to"

Page 19, line 35, delete "under" and insert "pursuant to"

Page 19, delete line 36

Page 20, delete line 1

Page 20, line 2, delete "(4)" and insert "(3)"

Page 20, line 6, delete "(5)" and insert "(4)"

Page 20, line 8, delete "(6)" and insert "(5)"

Page 20, line 11, delete "(7)" and insert "(6)"

Page 20, line 14, delete "public" and after "proceeding" insert "under this chapter"

Page 20, line 15, delete "and" and insert "or medical"

Page 20, line 16, delete "it is" and insert "they are"

Page 20, line 17, delete "public"

Page 20, line 36, strike everything after the period

Page 21, line 1, strike everything before "The"

Page 21, line 10, reinstate the stricken language

Page 21, line 11, delete "is"

Page 21, line 20, delete "completed"

Page 22, after line 6, insert:

"Sec. 30. Minnesota Statutes 1986, section 176.451, subdivision 4, is amended to read:

Subd. 4. [MATTERS FOR DETERMINATION; JUDGMENT]
When a judge hears the application for judgment upon the award, the judge has authority to determine only the facts of the award and,

the regularity of the proceedings upon which the award is based, interest, and attorney fees. When judgment is entered under this section, the judge shall order the employer or insurer to pay interest at the rate of 12 percent from the date of the administrative award plus reasonable attorney fees to the payer necessitated by the collection action. The judge shall enter judgment accordingly.

Judgment shall not be entered upon an award while an appeal is pending.

Sec. 31. Minnesota Statutes 1987 Supplement, section 176.521, subdivision 1, is amended to read:

Subdivision 1. [VALIDITY.] An agreement including a mediated agreement between an employee or an employee's dependent and the employer or insurer to settle any claim, which is not upon appeal before the court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties and intervenors in the matter, and, where one or more of the parties is not represented by an attorney, the commissioner or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the court of appeals or district court, the court of appeals or district court is the approving body. The legislature specifically encourages the reduction of litigation through voluntary dispute resolution, including mediated agreements approved by the division under this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "2," insert "175.171;"

Page 1, line 15, after "subdivision;" insert "176.136, subdivision 5;"

Page 1, line 17, after "9," insert "176.451, subdivision 4;"

Page 1, line 18, after "3" insert ", 3a,"

Page 1, line 22, after "4," insert "176.521, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2516, A bill for an act relating to employment and training; establishing the jobs 2000 fund; providing for training and transitional allowances; creating the training 2000 board; providing for grants and loans; promoting economic development; providing for the adoption of rules; appropriating money; amending Minnesota Statutes 1986, sections 116L.01, subdivision 3; and 116L.04; Minnesota Statutes 1987 Supplement, sections 116L.02; proposing coding for new law as Minnesota Statutes, chapter 268A; repealing Minnesota Statutes 1986, section 116L.03, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, 5, and 7; and Laws 1983, chapter 334, section 7, as amended.

Reported the same back with the following amendments:

Page 5, line 34, delete everything after the period

Page 5, line 35, delete "contributions levied under subdivision 3" and insert "Money appropriated to the fund"

Page 5, line 36, delete "are" and insert "is"

Page 6, line 1, delete "14" and insert "15"

Page 7, delete line 34

Page 7, line 35, delete everything before the semicolon

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2516 was re-referred to the Committee on Rules and Legislative Administration.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2551, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2584, A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2585, A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CONVEYANCE TO CITY OF BIG FORK.]

The commissioner of natural resources may convey to the city of Big Fork property located in the city and described as:

Outlot number one (1), Zaiser's

Addition to the village of Bigfork

in the county of Itasca. Consideration for the conveyance shall be \$1, and the conveyance shall be in a form approved by the attorney general. The conveyance must provide that the property reverts back to the state if the city no longer uses the property for public purposes. The property was originally conveyed to the department of natural resources by the city in 1941 for \$1 to serve as residential property for a game warden. The property is no longer needed for state purposes.”

Delete the title and insert:

“A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.”

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2594, A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 8; 388; 609; and 626A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 626A.01, subdivision 3, is amended to read:

Subd. 3. [WIRE COMMUNICATIONS.] “Wire communication” means any ~~communication~~ aural transfer made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable, or other like connection between the point of origin and the point of reception, including the use of such connection in a switching station. “Wire communication” includes any electronic storage of the communication, but does not include the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit.

Sec. 2. Minnesota Statutes 1986, section 626A.01, subdivision 4, is amended to read:

Subd. 4. [ORAL COMMUNICATION.] “Oral communication” means any oral communication uttered by a person exhibiting an expectation that such communication is not subject to interception under circumstances justifying such expectation, but the term does not include any electronic communication.

Sec. 3. Minnesota Statutes 1986, section 626A.01, subdivision 5, is amended to read:

Subd. 5. [INTERCEPT.] "Intercept" means the aural or other acquisition of the contents of any wire, electronic, or oral communication through the use of any electronic, mechanical, or other device.

Sec. 4. Minnesota Statutes 1986, section 626A.01, subdivision 6, is amended to read:

Subd. 6. [ELECTRONIC, MECHANICAL OR OTHER DEVICE.] "Electronic, mechanical, or other device" means any device or apparatus which can be used to intercept a wire, electronic, or oral communication other than

(a) any telephone or telegraph instrument, equipment or facility, or any component thereof, (i) furnished to the subscriber or user by a communications common carrier provider or wire or electronic communications service in the ordinary course of its business and being used by the subscriber or user in the ordinary course of its business or furnished by a subscriber or user for connection to the facilities of service and used in the ordinary course of its business; or (ii) being used by a communications common carrier in the ordinary course of its business, or by an investigative or law enforcement officer in the ordinary course of duties;

(b) a hearing aid or similar device being used to correct subnormal hearing to not better than normal;

(c) that which is specifically designed to only record conversations to which the operator of the device is a party;

(d) that which is used in the normal course of broadcasting by radio or television; or

(e) that which is otherwise commonly used for a purpose or purposes other than overhearing or recording conversations.

In determining whether a device which is alleged to be an electronic, mechanical or other device is, in fact, such a device there shall be taken into account, among other things, the size, appearance, directivity, range, sensitivity, frequency, power, or intensity, and the representations of the maker or manufacturer as to its performance and use.

Sec. 5. Minnesota Statutes 1986, section 626A.01, subdivision 8, is amended to read:

Subd. 8. [CONTENTS.] "Contents", when used with respect to any wire, electronic, or oral communication, includes any information

concerning the identity of the parties to such communication or the existence, substance, purport, or meaning of that communication.

Sec. 6. Minnesota Statutes 1986, section 626A.01, subdivision 9, is amended to read:

Subd. 9. [AGGRIEVED PERSON.] "Aggrieved person" means a person who was a party to any intercepted wire, electronic, or oral communication or a person against whom the interception was directed.

Sec. 7. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC COMMUNICATION.] "Electronic communication" means transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic, or photooptical system but does not include:

(1) the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit;

(2) a wire or oral communication;

(3) a communication made through a tone-only paging device; or

(4) a communication from a tracking device, defined as an electronic or mechanical device which permits the tracking of the movement of a person or object.

Sec. 8. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 15. [USER.] "User" means a person or entity who:

(1) uses an electronic communication service; and

(2) is duly authorized by the provider of the service to engage in the use.

Sec. 9. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 16. [ELECTRONIC COMMUNICATIONS SYSTEM.] "Electronic communications system" means a wire, radio, electromagnetic, photooptical, or photoelectronic facility for the transmission of electronic communications, and a computer facility or related electronic equipment for the electronic storage of communications.

Sec. 10. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 17. [ELECTRONIC COMMUNICATION SERVICE.] "Electronic communication service" means a service that provides to users of the service the ability to send or receive wire or electronic communications.

Sec. 11. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 18. [READILY ACCESSIBLE TO THE GENERAL PUBLIC.] "Readily accessible to the general public" means, with respect to a radio communication, that the communication is not:

- (1) scrambled or encrypted;
- (2) transmitted using modulation techniques whose essential parameters have been withheld from the public with the intention of preserving the privacy of the communication;
- (3) carried on a subcarrier or other signal subsidiary to a radio transmission;
- (4) transmitted over a communication system provided by a common carrier, unless the communication is a tone only paging system communication; or
- (5) transmitted on frequencies allocated under part 25, subpart D, E, or F of part 74, or part 94 of title 47 of the Code of Federal Regulations, unless in the case of a communication transmitted on a frequency allocated under part 74 of title 47 of the Code of Federal Regulations that is not exclusively allocated to broadcast auxiliary services, the communication is a two-way voice communication by radio.

Sec. 12. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 19. [ELECTRONIC STORAGE.] "Electronic storage" means:

- (1) a temporary, intermediate storage of a wire or electronic communication incidental to the electronic transmission of the communication; and
- (2) a storage of communication described in clause (1) by an electronic communication service for purposes of backup protection of the communication.

Sec. 13. Minnesota Statutes 1986, section 626A.01, is amended by adding a subdivision to read:

Subd. 20. [AURAL TRANSFER.] "Aural transfer" means a transfer containing the human voice at any point between and including the point of origin and the point of reception.

Sec. 14. Minnesota Statutes 1986, section 626A.02, subdivision 1, is amended to read:

Subdivision 1. [OFFENSES.] Except as otherwise specifically provided in sections 626A.01 to 626A.23 any person who

(a) willfully intentionally intercepts, endeavors to intercept, or procures any other person to intercept or endeavor to intercept, any wire, electronic, or oral communication;

(b) willfully intentionally uses, endeavors to use, or procures any other person to use or endeavor to use any electronic, mechanical, or other device to intercept any oral communication when

(i) such device is affixed to, or otherwise transmits a signal through, a wire, cable, or other like connection used in wire communication; or

(ii) such device transmits communications by radio, or interferes with the transmission of such communication;

(c) willfully intentionally discloses, or endeavors to disclose, to any other person the contents of any wire, electronic, or oral communication, knowing or having reason to know that the information was obtained through the interception of a wire, electronic, or oral communication in violation of this subdivision; or

(d) willfully intentionally uses, or endeavors to use, the contents of any wire, electronic, or oral communication, knowing or having reason to know that the information was obtained through the interception of a wire, electronic, or oral communication in violation of this subdivision; shall be fined not more than \$20,000 or imprisoned not more than five years, or both shall be punished as provided in section 17, or shall be subject to suit as provided in section 18.

Sec. 15. Minnesota Statutes 1986, section 626A.02, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) It ~~shall~~ is not be unlawful under sections 626A.01 to 626A.23 for an operator of a switchboard, or an officer, employee, or agent of ~~any communication common carrier a~~ provider of wire or electronic communication service, whose facilities are used in the transmission of a wire communication, to

intercept, disclose, or use that communication in the normal course of employment while engaged in any activity which is a necessary incident to the rendition of service or to the protection of the rights or property of the carrier of such communication; provided, that said ~~communication~~ common carriers of the provider of that service, except that a provider of wire communication service to the public shall not utilize service observing or random monitoring except for mechanical or service quality control checks.

(b) It ~~shall is not be~~ unlawful under sections 626A.01 to 626A.23 for an officer, employee, or agent of the Federal Communications Commission, in the normal course of employment and in discharge of the monitoring responsibilities exercised by the commission in the enforcement of chapter 5 of title 47 of the United States Code, to intercept a wire or electronic communication, or oral communication transmitted by radio, or to disclose or use the information thereby obtained.

(c) It ~~shall is not be~~ unlawful under sections 626A.01 to 626A.23 for a person acting under color of law to intercept a wire, electronic, or oral communication, where such person is a party to the communication or one of the parties to the communication has given prior consent to such interception.

(d) It ~~shall is not be~~ unlawful under ~~this chapter~~ sections 626A.01 to 626A.23 for a person not acting under color of law to intercept a wire, electronic, or oral communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the constitution or laws of the United States or of any state ~~or for the purpose of committing any other injurious act.~~

(e) It is not a violation of sections 626A.01 to 626A.23 or sections 47 to 55 for a person:

(1) to intercept or access an electronic communication made through an electronic communication system that is configured so that the electronic communication is readily accessible to the general public;

(2) to intercept any radio communication that is transmitted:

(i) by a station for the use of the general public, or that relates to ships, aircraft, vehicles, or persons in distress;

(ii) by a governmental, law enforcement, civil defense, private land mobile, or public safety communications system, including police and fire, readily accessible to the general public;

(iii) by a station operating on an authorized frequency within the bands allocated to the amateur, citizens band, or general mobile radio services; or

(iv) by a marine or aeronautical communications system;

(3) to engage in any conduct which:

(i) is prohibited by section 553 of title 47 of the United States Code; or

(ii) is excepted from the application of section 605(a) of title 47 of the United States Code by section 605(b) of that title;

(4) to intercept a wire or electronic communication the transmission of which is causing harmful interference to any lawfully operating station or consumer electronic equipment, to the extent necessary to identify the source of such interference; or

(5) for other users of the same frequency to intercept any radio communication made through a system that utilizes frequencies monitored by individuals engaged in the provision or the use of such system, if the communication is not scrambled or encrypted.

(f) It is not unlawful under sections 626A.01 to 626A.23:

(1) to use a pen register or a trap and trace device as those terms are defined by section 60; or

(2) for a provider of electronic communication service to record the fact that a wire or electronic communication was initiated or completed in order to protect the provider, another provider furnishing service toward the completion of the wire or electronic communication, or a user of that service, from fraudulent, unlawful, or abusive use of the service.

Sec. 16. Minnesota Statutes 1986, section 626A.02, is amended by adding a subdivision to read:

Subd. 3. [DISCLOSING COMMUNICATIONS.] (a) Except as provided in paragraph (b) of this subdivision, a person or entity providing an electronic communications service to the public must not intentionally divulge the contents of any communication other than one to the person or entity, or an agent of the person or entity, while in transmission on that service to a person or entity other than an addressee or intended recipient of the communication or an agent of the addressee or intended recipient.

(b) A person or entity providing electronic communication service to the public may divulge the contents of a communication:

(1) as otherwise authorized in subdivision 2, paragraph (a), and section 626A.09;

(2) with the lawful consent of the originator or any addressee or intended recipient of the communication;

(3) to a person employed or authorized, or whose facilities are used, to forward the communication to its destination; or

(4) that were inadvertently obtained by the service provider and that appear to pertain to the commission of a crime, if divulgence is made to a law enforcement agency.

Sec. 17. Minnesota Statutes 1986, section 626A.02, is amended by adding a subdivision to read:

Subd. 4. [PENALTIES.] (a) Except as provided in paragraph (b) of this subdivision or in section 18, whoever violates subdivision 1 of this section shall be fined not more than \$20,000 or imprisoned not more than five years, or both.

(b) If the offense is a first offense under paragraph (a) of this subdivision and is not for a tortious or illegal purpose or for purposes of direct or indirect commercial advantage or private commercial gain, and the wire or electronic communication with respect to which the offense under paragraph (a) is a radio communication that is not scrambled or encrypted, then:

(1) if the communication is not the radio portion of a cellular telephone communication, a public land mobile radio service communication or a paging service communication, and the conduct is not that described in section 18, the offender shall be fined not more than \$3,000 or imprisoned not more than one year, or both; and

(2) if the communication is the radio portion of a cellular telephone communication, a public land mobile radio service communication or a paging service communication, the offender shall be fined not more than \$500.

(c) Conduct otherwise an offense under this subdivision that consists of or relates to the interception of a satellite transmission that is not encrypted or scrambled and that is transmitted:

(1) to a broadcasting station for purposes of retransmission to the general public; or

(2) as an audio subcarrier intended for redistribution to facilities open to the public, but not including data transmissions or telephone calls.

is not an offense under this subdivision unless the conduct is for the purposes of direct or indirect commercial advantage or private financial gain.

Sec. 18. Minnesota Statutes 1986, section 626A.02, is amended by adding a subdivision to read:

Subd. 5. [CIVIL ACTION.] (a) (1) If the communication is:

(i) a private satellite video communication that is not scrambled or encrypted and the conduct in violation of this chapter is the private viewing of that communication and is not for a tortious or illegal purpose or for purposes of direct or indirect commercial advantage or private commercial gain; or

(ii) a radio communication that is transmitted on frequencies allocated under subpart D of part 74 of title 47 of the Code of Federal Regulations and that is not scrambled or encrypted and the conduct in violation of sections 626A.01 to 626A.23 is not for a tortious or illegal purpose or for purposes of direct or indirect commercial advantage or private commercial gain, then the person who engages in such conduct is subject to suit by the county or city attorney in whose jurisdiction the violation occurs.

(2) In an action under this subdivision:

(i) if the violation of sections 626A.01 to 626A.23 is a first offense for the person under paragraph (a) of section 17, and the person has not been found liable in a civil action under section 626A.13, the city or county attorney is entitled to seek appropriate injunctive relief; and

(ii) if the violation of sections 626A.01 to 626A.23 is a second or subsequent offense under paragraph (a) of section 17, or the person has been found liable in a prior civil action under section 626A.13, the person is subject to a mandatory \$500 civil fine.

(b) The court may use any means within its authority to enforce an injunction issued under paragraph (a), clause (2)(i), and shall impose a civil fine of not less than \$500 for each violation of such an injunction.

Sec. 19. Minnesota Statutes 1986, section 626A.03, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise specifically provided in sections 626A.01 to 626A.23, any person who willfully intentionally

(a) manufactures, assembles, possesses, or sells any electronic, mechanical, or other device, knowing or having reason to know that

the design of such device renders it primarily useful for the purpose of the surreptitious interception of wire, electronic, or oral communications;

(b) places in any newspaper, magazine, handbill, or other publication any advertisement of

(i) any electronic, mechanical, or other device knowing or having reason to know that the design of such device renders it primarily useful for the purpose of the surreptitious interception of wire, electronic, or oral communications; or

(ii) any other electronic, mechanical, or other device, where such advertisement promotes the use of such device for the purposes of the surreptitious interception of wire, electronic, or oral communications, shall be fined not more than \$20,000 or imprisoned not more than five years, or both.

Sec. 20. Minnesota Statutes 1986, section 626A.03, subdivision 2, is amended to read:

Subd. 2. It ~~shall~~ is not be unlawful under this section for

(a) a provider of wire or electronic communications common carrier service or an officer, agent or employee of, or a person under contract with, a ~~communications common carrier provider~~, in the normal course of the ~~communications common carrier's~~ business of providing that wire or electronic communications service, or

(b) an officer, agent, or employee of, or a person under contract with, the United States, a state, or a political subdivision thereof, in the normal course of the activities of the United States, a state, or a political subdivision thereof, to manufacture, assemble, possess, or sell any electronic, mechanical, or other device knowing or having reason to know that the design of such device renders it primarily useful for the purpose of the surreptitious interception of wire, electronic, or oral communication.

Sec. 21. Minnesota Statutes 1986, section 626A.05, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR WARRANT.] The attorney general, or not more than one assistant or special assistant attorney general specifically designated by the attorney general, or a county attorney of any county, or not more than one assistant county attorney specifically designated by the county attorney, may make application as provided in section 626A.06, to a judge of the district court, of the court of appeals, or of the supreme court for a warrant authorizing or approving the interception of wire, electronic, or oral communications by investigative or law enforcement officers having

responsibility for the investigation of the offense as to which the application is made. No court commissioner shall issue a warrant under sections 626A.01 to 626A.23.

Sec. 22. Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire, electronic, or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, assault in the first, second, and third degrees, aggravated robbery, kidnapping, criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, aggravated forgery, check forgery, or financial transaction card fraud, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, clause (1), 609.52, 609.53, 609.54, 609.582, 609.625, 609.63, 609.631, 609.821, and 609.825; or

(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152; or

(3) an offense relating to restraint of trade defined in section 325D.53, subdivision 1 or 2, as punishable under section 325D.56, subdivision 2.

Sec. 23. Minnesota Statutes 1986, section 626A.06, subdivision 1, is amended to read:

Subdivision 1. [THE APPLICATIONS.] Each application for a warrant authorizing or approving the interception of a wire, electronic, or oral communication shall be made in writing upon oath or affirmation to a judge of the district court or of the supreme court and shall state the applicant's authority to make such application. Each application shall include the following information:

(a) the identity of the investigative or law enforcement officer making the application, and the officer authorizing the application;

(b) a full and complete statement of the facts and circumstances relied upon by the applicant, to justify the applicant's belief that an order should be issued, including (i) details as to the particular

offense that has been, is being, or is about to be committed, (ii) except as provided in section 29, a particular description of the nature and location of the facilities from which or the place where the communication is to be intercepted, (iii) a particular description of the type of communications sought to be intercepted, (iv) the identity of the person, if known, committing the offense and whose communications are to be intercepted;

(c) a full and complete statement as to whether or not other investigative procedures have been tried and failed or why they reasonably appear to be unlikely to succeed if tried or to be too dangerous;

(d) a statement of the period of time for which the interception is required to be maintained. If the nature of the investigation is such that the authorization for interception should not automatically terminate when the described type of communication has been first obtained, a particular description of facts establishing probable cause to believe that additional communications of the same type will occur thereafter;

(e) a full and complete statement of the facts concerning all previous applications known to the individual authorizing and making the application, made to any judge for authorization to intercept, or for approval of interceptions of, wire, electronic, or oral communications involving any of the same persons, facilities, or places specified in the application, and the action taken by the judge on each such application;

(f) where statements in the application are solely upon the information or belief of the applicant, the grounds for the belief must be given; and

(g) the names of persons submitting affidavits in support of the application.

Sec. 24. Minnesota Statutes 1986, section 626A.06, subdivision 3, is amended to read:

Subd. 3. [FINDING OF PROBABLE CAUSE BY THE JUDGE.]
Upon such application the judge may enter an ex parte order, as requested or as modified, authorizing or approving interception of wire, electronic, or oral communications within the territorial jurisdiction of the court in which the judge is sitting, if the judge determines on the basis of the facts submitted by the applicant that:

(a) there is probable cause for belief that an individual is committing, has committed, or is about to commit a particular offense enumerated in section 626A.05, subdivision 2;

(b) there is probable cause for belief that particular communications concerning that offense will be obtained through such interception;

(c) normal investigative procedures have been tried and have failed or reasonably appear to be unlikely to succeed if tried or to be too dangerous;

(d) except as provided in section 29, there is probable cause for belief that the facilities from which, or the place where, the wire, electronic, or oral communications are to be intercepted are being used, or are about to be used, in connection with the commission of such offense, or are leased to, listed in the name of, or commonly used by such person.

Nothing in sections 626A.01 to 626A.23 is to be considered as modifying in any way the existence or scope of those privileged communications defined in chapter 595. In acting upon an application for a warrant for intercepting communications, the potential contents of any such future communications that are within the provisions of chapter 595 shall not be considered by the court in making its finding as to the probability that material evidence will be obtained by such interception of communications.

Sec. 25. Minnesota Statutes 1986, section 626A.06, subdivision 4, is amended to read:

Subd. 4. [THE WARRANT.] Each warrant to intercept communications shall be directed to a law enforcement officer, commanding the officer to hold the recording of all intercepted communications conducted under said warrant in custody subject to the further order of the court issuing the warrant. The warrant shall contain the grounds for its issuance with findings, as to the existence of the matters contained in subdivision 1 and shall also specify:

(a) the identity of the person, if known, whose communications are to be intercepted and recorded;

(b) the nature and location of the communications facilities as to which, or the place where, authority to intercept is granted, and in the case of telephone or telegraph communications the general designation of the particular line or lines involved;

(c) a particular description of the type of communication sought to be intercepted, and a statement of the particular offense to which it relates;

(d) the identity of the law enforcement office or agency authorized to intercept the communications, the name of the officer or officers

thereof authorized to intercept communications, and of the person authorizing the application;

(e) the period of time during which such interception is authorized, including a statement as to whether or not the interception shall automatically terminate when the described communication has been first obtained;

(f) any other limitations on the interception of communications being authorized, for the protection of the rights of third persons;

(g) a statement that using, divulging, or disclosing any information concerning such application and warrant for intercepting communications is prohibited and that any violation is punishable by the penalties of sections 626A.01 to 626A.23.

(h) a statement that the warrant shall be executed as soon as practicable, shall be executed in such a way as to minimize the interception of communications not otherwise subject to interception under sections 626A.01 to 626A.23 and must terminate upon attainment of the authorized objective, or in any event in ten days. The ten-day period begins on the earlier of the day on which the investigative or law enforcement officer first begins to conduct an interception under the order or ten days after the order is received. In the event the intercepted communication is in a code or foreign language, and an expert in that foreign language or code is not reasonably available during the interception period, minimization may be accomplished as soon as practicable after such interception.

An order authorizing the interception of a wire, oral, or electronic communication under sections 626A.01 to 626A.23 must, upon request of the applicant, direct that a provider of wire or electronic communication service, landlord, custodian, or other person shall furnish the applicant immediately all information, facilities, and technical assistance necessary to accomplish the interception unobtrusively and with a minimum of interference with the services that the service provider, landlord, custodian, or person is according the person whose communications are to be intercepted. A provider of wire or electronic communication service, landlord, custodian, or other person furnishing facilities or technical assistance must be compensated by the applicant for reasonable expenses incurred in providing the facilities or assistance.

Denial of an application for a warrant to intercept communications or of an application for renewal of such warrant shall be by written order that shall include a statement as to the offense or offenses designated in the application, the identity of the official applying for the warrant and the name of the law enforcement office or agency.

Sec. 26. Minnesota Statutes 1986, section 626A.06, is amended by adding a subdivision to read:

Subd. 4a. [PERSONNEL USED.] An interception under sections 626A.01 to 626A.23 may be conducted in whole or in part by employees of the state or any subdivision of the state, or by an individual operating under a contract with the state or one of its subdivisions, acting under the supervision of an investigative or law enforcement officer authorized to conduct the investigation.

Sec. 27. Minnesota Statutes 1986, section 626A.06, subdivision 5, is amended to read:

Subd. 5. [DURATION OF WARRANT.] No warrant entered under this section may authorize or approve the interception of any wire, electronic, or oral communication for any period longer than is necessary to achieve the objective of the authorization, nor in any event longer than ten days.

The effective period of any warrant for intercepting communications shall terminate immediately when any person named in the warrant has been charged with an offense specified in the warrant.

Sec. 28. Minnesota Statutes 1986, section 626A.06, subdivision 6, is amended to read:

Subd. 6. [EXTENSIONS.] Any judge of the district court, of the court of appeals, or of the supreme court may grant extensions of a warrant, but only upon application for an extension made in accordance with subdivision 1 and the court making the findings required by subdivision 3. The period of extension shall be no longer than the authorizing judge deems necessary to achieve the purposes for which it was granted and in no event for longer than ten days. In addition to satisfying the requirements of subdivision 1, an application for a renewal of any warrant for intercepting communications shall also:

(a) contain a statement that all interception of communications under prior warrants has been in compliance with sections 626A.01 to 626A.23;

(b) contain a statement setting forth the results thus far obtained from the interception or a reasonable explanation of the failure to obtain results;

(c) state the continued existence of the matters contained in subdivision 1; and

(d) specify the facts and circumstances of the interception of communications under prior warrants which are relied upon by the

applicant to show that such continued interception of communications is necessary and in the public interest.

Any application to intercept communications of a person previously the subject of such a warrant for any offense designated in a prior warrant shall constitute a renewal of such warrant.

Sec. 29. Minnesota Statutes 1986, section 626A.06, is amended by adding a subdivision to read:

Subd. 11. [REQUIREMENTS INAPPLICABLE.] The requirements of subdivision 1, clause (b)(ii), and subdivision 3, clause (d), relating to the specification of the facilities from which, or the place where, the communication is to be interpreted do not apply if:

(1) in the case of an application with respect to the interception of an oral communication:

(i) the application contains a full and complete statement as to why the specification is not practical and identifies the person committing the offense and whose communications are to be intercepted; and

(ii) the judge finds that the specification is not practical.

(2) in the case of an application with respect to a wire or electronic communication:

(i) the application identifies the person believed to be committing the offense and whose communications are to be intercepted and the applicant makes a showing of a purpose, on the part of that person, to thwart interception by changing facilities; and

(ii) the judge finds that the purpose has been adequately shown.

Sec. 30. Minnesota Statutes 1986, section 626A.06, is amended by adding a subdivision to read:

Subd. 12. [MOTION TO QUASH ORDER.] An interception of a communication under an order with respect to which the requirements of subdivision 1, clause (b)(ii), and subdivision 3, clause (d), of this section do not apply by reason of section 29 must not begin until the facilities from which, or the place where, the communication is to be intercepted is ascertained by the person implementing the interception order. A provider of wire or electronic communications service that has received an order as provided for in section 29, clause (2), may move the court to modify or quash the order on the ground that its assistance with respect to the interception cannot be performed in a timely or reasonable fashion. The court, upon notice

to the attorney applying for the warrant, shall decide a motion expeditiously.

Sec. 31. Minnesota Statutes 1986, section 626A.08, subdivision 1, is amended to read:

Subdivision 1. [MATERIAL OBTAINED.] Every part of any wire, oral, or electronic communication, conversation, or discussion overheard intercepted pursuant to sections 626A.01 to 626A.23 shall be completely recorded on tape or wire or other comparable device and shall be done in such manner as will protect the recording from editing or other alterations. Immediately upon the expiration of the period of the order, or extensions thereof, such recordings shall be made available to the judge issuing such order and sealed under the judge's directions. Custody of the recordings shall be wherever the judge orders. They shall not be destroyed except upon an order of the issuing or denying judge or a successor and in any event shall be kept for ten years. Duplicate recordings may be made for use or disclosure pursuant to the provisions of section 626A.09 for investigations. The presence of the seal provided for by this subdivision, or a satisfactory explanation for the absence thereof, shall be a prerequisite for the use or disclosure of the contents of any wire, electronic, or oral communication or evidence derived therefrom under section 626A.09.

Sec. 32. Minnesota Statutes 1986, section 626A.09, subdivision 1, is amended to read:

Subdivision 1. Any investigative or law enforcement officer who, by any means authorized by sections 626A.01 to 626A.23, has obtained knowledge of the contents of any wire, electronic, or oral communication, or evidence derived therefrom may disclose such contents to another investigative or law enforcement officer to the extent that such disclosure is appropriate to the proper performance of the official duties of the officer making or receiving the disclosure.

Sec. 33. Minnesota Statutes 1986, section 626A.09, subdivision 2, is amended to read:

Subd. 2. Any investigative or law enforcement officer who, by any means authorized by sections 626A.01 to 626A.23, has obtained knowledge of the contents of any wire, electronic, or oral communication or evidence derived therefrom may use such contents to the extent such use is appropriate to the proper performance of official duties.

Sec. 34. Minnesota Statutes 1986, section 626A.09, subdivision 3, is amended to read:

Subd. 3. Any person who has received, by any means authorized by

sections 626A.01 to 626A.23, any information concerning a wire, electronic, or oral communication, or evidence derived therefrom intercepted in accordance with the provisions of sections 626A.01 to 626A.23 may disclose the contents of that communication or such derivative evidence while giving testimony under oath or affirmation in any criminal proceeding in any court of the United States or of any state or in any federal or state grand jury proceeding.

Sec. 35. Minnesota Statutes 1986, section 626A.09, subdivision 4, is amended to read:

Subd. 4. No otherwise privileged wire, electronic, or oral communication intercepted in accordance with, or in violation of, the provisions of sections 626A.01 to 626A.23 shall lose its privileged character.

Sec. 36. Minnesota Statutes 1986, section 626A.09, subdivision 5, is amended to read:

Subd. 5. When an investigative or law enforcement officer, while engaged in intercepting wire, electronic, or oral communications in the manner authorized herein, intercepts wire, electronic, or oral communications relating to offenses other than those specified in the order of authorization or approval, the contents thereof, and evidence derived therefrom, may be disclosed or used as provided in subdivisions 1 and 2. Such contents and any evidence derived therefrom may be used under subdivision 3 when authorized or approved by a judge of the district court where such judge finds on subsequent application that the contents were otherwise intercepted in accordance with the provisions of sections 626A.01 to 626A.23. Such application shall be made as soon as practicable.

Sec. 37. Minnesota Statutes 1986, section 626A.10, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] Within a reasonable time but not later than 90 days after the termination of the period of a warrant or extensions thereof, the issuing or denying judge shall cause to be served, on the persons named in the warrant and the application, and such other parties to intercepted communications as the judge may determine that is in the interest of justice, an inventory which shall include notice of:

- (1) the fact of the issuance of the warrant or the application;
- (2) the date of the issuance and the period of authorized, approved or disapproved interception, or the denial of the application; and
- (3) the fact that during the period wire, electronic, or oral communications were or were not intercepted.

Sec. 38. Minnesota Statutes 1986, section 626A.10, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF INTENT TO USE EVIDENCE OBTAINED BY INTERCEPTION OF WIRE OR ORAL COMMUNICATION.] The contents of any intercepted wire, electronic, or oral communication or evidence derived therefrom shall not be received in evidence otherwise disclosed in any trial, hearing, or other proceeding in a federal or state court unless each party, not less than ten days before the trial, hearing, or proceeding, has been furnished with a copy of the court order, and accompanying application, under which the interception was authorized or approved. This ten-day period may be waived by the judge if the judge finds that it was not possible to furnish the party with the above information ten days before the trial, hearing, or proceeding and that the party will not be prejudiced by the delay in receiving such information.

Sec. 39. Minnesota Statutes 1986, section 626A.11, subdivision 1, is amended to read:

Subdivision 1. [ILLEGALLY OBTAINED EVIDENCE INADMISSIBLE.] Evidence obtained by any act of intercepting wire or oral communications, in violation of section 626A.02, and all evidence obtained through or resulting from information obtained by any such act, shall be inadmissible for any purpose in any action, proceeding, or hearing; provided, however, that any such evidence shall be admissible in any civil or criminal action, proceeding, or hearing against the person who has, or is alleged to have, violated sections 626A.01 to 626A.23.

Sec. 40. Minnesota Statutes 1986, section 626A.11, subdivision 2, is amended to read:

Subd. 2. [OFFICIAL AVAILABLE AS A WITNESS.] No evidence obtained as a result of intercepting wire or oral communications pursuant to a warrant issued under section 626A.06 shall be admissible in any proceeding unless the law enforcement official or officials person or persons overhearing or recording such communication, conversation, or discussion be called or made available as witnesses subject to cross examination by the party against whom such intercepted evidence is being offered. The provisions of this clause shall not apply if the trial court finds that such law enforcement official person is dead; or is out of the state; or is unable to attend or testify because of age, sickness, infirmity, or imprisonment; or that such exceptional circumstances exist as to make it desirable, in the interest of justice and with due regard to the importance of presenting such persons in open court, to allow the evidence to be received.

Sec. 41. Minnesota Statutes 1986, section 626A.11, is amended by adding a subdivision to read:

Subd. 4. [REMEDIES AND SANCTIONS.] The remedies and sanctions described in sections 626A.01 to 626A.23 with respect to the interception of electronic communications are the only judicial remedies and sanctions for nonconstitutional violations of sections 626A.01 to 626A.23 involving communications.

Sec. 42. Minnesota Statutes 1986, section 626A.12, subdivision 1, is amended to read:

Subdivision 1. [THE MOTION.] Any aggrieved person may move to suppress the contents of any intercepted wire or oral communication, or evidence derived therefrom on the grounds that:

- (i) the wire or oral communication was unlawfully intercepted;
- (ii) the order of authorization or approval under which it was intercepted is insufficient on its face;
- (iii) the interception was not made in conformity with the order of authorization or approval;
- (iv) there was not probable cause for believing the existence of the grounds on which the warrant was issued; or
- (v) the evidence was otherwise illegally obtained.

The court shall hear evidence upon any issue of fact necessary to a determination of the motion.

If the motion is granted, the contents of the intercepted wire or oral communication, or evidence derived therefrom, shall be treated as having been obtained in violation of sections 626A.01 to 626A.23.

If the motion is denied, the order denying such may be reviewed on appeal from a judgment of conviction notwithstanding the fact that such judgment of conviction is predicated upon a plea of guilty.

Sec. 43. Minnesota Statutes 1986, section 626A.12, is amended by adding a subdivision to read:

Subd. 1a. [MOTION TO SUPPRESS.] Any aggrieved person may move to suppress the contents of any intercepted electronic communication on the ground that there was a constitutional violation.

Sec. 44. Minnesota Statutes 1986, section 626A.13, is amended to read:

626A.13 [CIVIL REMEDIES.]

Any person whose wire or oral communication is intercepted, disclosed, or used in violation of sections 626A.01 to 626A.23 shall (1) have a civil cause of action against any person who intercepts, discloses, or uses, or procures any other person to intercept, disclose, or use such communications, and (2) be entitled to the following remedies:

(a) to an injunction by any court of competent jurisdiction prohibiting further interception or use or divulgence by the person involved;

(b) to treble damages against the person or persons committing such interception, divulgence, or use, but in no event shall such recovery be less than \$1,000;

(c) to any punitive damages that may be awarded by the court or jury; and

(d) a reasonable attorney's fee and other litigation costs reasonably incurred.

A good faith reliance on a court order shall constitute a complete defense to any civil or criminal action brought under sections 626A.01 to 626A.23. Good faith reliance by a telephone or telegraph company on a warrant issued pursuant to sections 626A.01 to 626A.23, or on provisions of sections 626A.01 to 626A.23 requiring action by such company, shall constitute a complete defense to any civil action brought under sections 626A.01 to 626A.23.

Subdivision 1. [IN GENERAL.] Except as provided in section 2511 (2)(a)(ii) of title 18 of the United States Code, a person whose wire, oral, or electronic communication is intercepted, disclosed, or intentionally used in violation of sections 626A.01 to 626A.23 may in a civil action recover from the person or entity that engaged in that violation relief as may be appropriate.

Subd. 2. [RELIEF.] In an action under this section, appropriate relief includes:

(1) temporary and other equitable or declaratory relief as may be appropriate;

(2) damages under subdivision 3 and punitive damages in appropriate cases; and

(3) a reasonable attorney's fee and other litigation costs reasonably incurred.

Subd. 3. [COMPUTATION OF DAMAGES.] (a) In an action under this section, if the conduct in violation of sections 626A.01 to

626A.23 is the private viewing of a private satellite video communication that is not scrambled or encrypted or if the communication is a radio communication that is transmitted on frequencies allocated under subpart D of part 74 of title 47 of the Code of Federal Regulations that is not scrambled or encrypted and the conduct is not for a tortious or illegal purpose or for purposes of direct or indirect commercial advantage or private commercial gain, then the court shall assess damages as follows:

(1) If the person who engaged in that conduct has not previously been enjoined under section 18, subdivision 5, and has not been found liable in a prior civil action under this section, the court shall assess the greater of the sum of actual damages suffered by the plaintiff, or statutory damages of not less than \$50 and not more than \$500.

(2) If, on one prior occasion, the person who engaged in that conduct has been enjoined under section 18, subdivision 5, or has been found liable in a civil action under this section, the court shall assess the greater of the sum of actual damages suffered by the plaintiff, or statutory damages of not less than \$100 and not more than \$1,000.

(b) In any other action under this section, the court may assess as damages whichever is the greater of:

(1) the sum of three times the actual damages suffered by the plaintiff and any profits made by the violator as a result of the violation; or

(2) statutory damages of whichever is the greater of \$100 a day for each day of violation or \$10,000.

Subd. 4. [DEFENSE.] A good faith reliance on:

(1) a court warrant or order, a grand jury subpoena, a legislative authorization, or a statutory authorization;

(2) a request of an investigative or law enforcement officer under United States Code, title 18, section 2518(7); or

(3) a good faith determination that section 626A.02, subdivision 3, permitted the conduct complained of;

is a complete defense against any civil or criminal action brought under sections 626A.01 to 626A.23 or any other law.

Subd. 5. [LIMITATION.] A civil action under this section may not be begun later than two years after the date upon which the claimant first has a reasonable opportunity to discover the violation.

Sec. 45. [626A.24] [MOBILE TRACKING DEVICES.]

Subdivision 1. [WARRANT.] When an investigative or law enforcement officer, under sections 626.04 to 626.17, applies to the district court for a warrant or other order authorizing the installation of a mobile tracking device, the warrant or other order may authorize the use of the mobile tracking device within the jurisdiction of the court and outside of that jurisdiction as long as the device is installed in the jurisdiction.

Subd. 2. [DEFINITION.] As used in this section, the term "tracking device," means an electronic or mechanical device that permits the tracking of the movement of a person or object.

Sec. 46. [626A.25] [INJUNCTION AGAINST ILLEGAL INTERCEPTION.]

Whenever it appears that a person is engaged or is about to engage in an act that constitutes or will constitute a felony violation of sections 626A.01 to 626A.23, the attorney general or a county attorney may initiate a civil action in district court to enjoin the violation. The court shall proceed as soon as practicable to the hearing and determination of the civil action, and may, at any time before final determination, enter a restraining order or prohibition, or take other action, as is warranted to prevent a continuing and substantial injury to the state, any of its subdivisions, or to a person or class of persons for whose protection the action is brought. A proceeding under this section is governed by the Rules of Civil Procedure, except that, if the defendant has been charged with the felony, discovery against that defendant is governed by the Rules of Criminal Procedure.

Sec. 47. [626A.26] [UNLAWFUL ACCESS TO STORED COMMUNICATIONS.]

Subdivision 1. [OFFENSE.] Except as provided in subdivision 3, whoever:

(1) intentionally accesses without authorization a facility through which an electronic communication service is provided; or

(2) intentionally exceeds an authorization to access that facility;

and thereby obtains, alters, or prevents authorized access to a wire or electronic communication while it is in the electronic storage in a system must be punished as provided in subdivision 2.

Subd. 2. [PUNISHMENT.] The punishment for an offense under subdivision 1 is:

(1) if the offense is committed for purposes of commercial advantage, malicious destruction or damage, or private commercial gain:

(i) a fine of not more than \$250,000 or imprisonment for not more than one year, or both, in the case of a first offense under this clause; and

(ii) a fine of not more than \$250,000 or imprisonment for not more than two years, or both, for any subsequent offense under this clause;

(2) a fine of not more than \$5,000 or imprisonment for not more than six months, or both, in any other case.

Subd. 3. [EXCEPTIONS.] Subdivision 1 does not apply with respect to conduct authorized:

(1) by the person or entity providing a wire or electronic communications service;

(2) by a user of that service with respect to a communication of or intended for that user; or

(3) in sections 626A.05 to 626A.09, section 49 or 50.

Sec. 48. [626A.27] [DISCLOSURE OF CONTENTS.]

Subdivision 1. [PROHIBITIONS.] Except as provided in subdivision 2:

(1) a person or entity providing an electronic communication service to the public must not knowingly divulge to a person or entity the contents of a communication while in electronic storage by that service; and

(2) a person or entity providing remote computing service to the public must not knowingly divulge to a person or entity the contents of any communication that is carried or maintained on that service:

(i) on behalf of, and received by means of electronic transmission from, or created by means of computer processing of communications received by means of electronic transmission, from a subscriber or customer of the service; and

(ii) solely for the purpose of providing storage or computer processing services to the subscriber or customer, if the provider is not authorized to access the contents of any communications for purposes of providing any services other than storage or computer processing.

Subd. 2. [EXCEPTIONS.] A person or entity may divulge the contents of a communication:

(1) to an addressee or intended recipient of the communication or an agent of the addressee or intended recipient;

(2) as otherwise authorized in sections 626A.02; subdivision 2, paragraph (a); 626A.05; or section 49;

(3) with the lawful consent of the originator or an addressee or intended recipient of the communication, or the subscriber in the case of remote computing service;

(4) to a person employed or authorized or whose facilities are used to forward a communication to its destination;

(5) as may be necessarily incident to the rendition of the service or to the protection of the rights or property of the provider of that service; or

(6) to a law enforcement agency, if the contents:

(i) were inadvertently obtained by the service provider; and

(ii) appear to pertain to the commission of a crime.

Sec. 49. [626A.28] [REQUIREMENTS FOR GOVERNMENTAL ACCESS.]

Subdivision 1. [CONTENTS OF ELECTRONIC COMMUNICATIONS IN ELECTRONIC STORAGE.] A governmental entity may require the disclosure by a provider of electronic communication service of the contents of an electronic communication that is in electronic storage in an electronic communications system for 180 days or less only under a warrant. A government entity may require the disclosure by a provider of electronic communications services of the contents of an electronic communication that has been in electronic storage in an electronic communications system for more than 180 days by the means available under subdivision 2.

Subd. 2. [CONTENTS OF ELECTRONIC COMMUNICATIONS IN A REMOTE COMPUTING SERVICE.] (a) A governmental entity may require a provider of remote computing service to disclose the contents of electronic communication to which this paragraph is made applicable by paragraph (b):

(1) without required notice to the subscriber or customer, if the governmental entity obtains a warrant; or

(2) with prior notice if the governmental entity:

(i) uses an administrative subpoena authorized by statute or a grand jury subpoena; or

(ii) obtains a court order for such disclosure under subdivision 4; except that delayed notice may be given under section 51.

(b) paragraph (a) is applicable with respect to any electronic communication that is held or maintained on that service:

(1) on behalf of, and received by means of electronic transmission from, or created by means of computer processing of communications received by means of electronic transmission from, a subscriber or customer of such remote computing service; and

(2) solely for the purpose of providing storage or computer processing services to the subscriber or customer, if the provider is not authorized to access the contents of any communications for purposes of providing any services other than storage or computer processing.

Subd. 3. [RECORDS CONCERNING ELECTRONIC COMMUNICATION SERVICE OR REMOTE COMPUTING SERVICE.]

(a) (1) Except as provided in clause (2), a provider of electronic communication service or remote computing service may disclose a record or other information pertaining to a subscriber to or customer of the service, not including the contents of communications covered by subdivision 1 or 2, to any person other than a governmental entity.

(2) A provider of electronic communication service or remote computing service may disclose a record or other information pertaining to a subscriber to or customer of the service, not including the contents of communications covered by subdivision 1 or 2, to a governmental entity only when the governmental entity:

(i) uses an administrative subpoena authorized by statute, or a grand jury subpoena;

(ii) obtains a warrant;

(iii) obtains a court order for such disclosure under subdivision 4; or

(iv) has the consent of the subscriber or customer to the disclosure.

(b) A governmental entity receiving records or information under this subdivision is not required to provide notice to a subscriber or customer.

Subd. 4. [REQUIREMENTS FOR COURT ORDER.] A court order for disclosure under subdivision 2 or 3 must issue only if the governmental entity shows that there is reason to believe the contents of a wire or electronic communication, or the records or other information sought, are relevant to a legitimate law enforcement inquiry. A court issuing an order pursuant to this section, on a motion made promptly by the service provider, may quash or modify such order, if the information or records requested are unusually voluminous in nature or compliance with such order otherwise would cause an undue burden on such provider.

Subd. 5. [NO CAUSE OF ACTION AGAINST A PROVIDER DISCLOSING CERTAIN INFORMATION.] No cause of action lies in any court against any provider of wire or electronic communication service, its officers, employees, agents, or other specified persons for providing information, facilities, or assistance in accordance with the terms of a court order, warrant, subpoena, or certification under sections 47 to 55.

Sec. 50. [626A.29] [BACKUP PRESERVATION.]

Subdivision 1. [BACKUP COPY.] (a) A governmental entity acting under section 49, subdivision 2, paragraph (b), may include in its subpoena or court order a requirement that the service provider to whom the request is directed create a backup copy of the contents of the electronic communications sought in order to preserve those communications. Without notifying the subscriber or customer of the subpoena or court order, the service provider shall create a backup copy, as soon as practicable, consistent with its regular business practices and shall confirm to the governmental entity that the backup copy has been made. The backup copy must be created within two business days after receipt by the service provider of the subpoena or court order.

(b) Notice to the subscriber or customer must be made by the governmental entity within three days after receipt of the confirmation, unless notice is delayed under section 51, subdivision 1.

(c) The service provider must not destroy a backup copy until the later of:

(1) the delivery of the information; or

(2) the resolution of any proceedings, including appeals of any proceeding, concerning the subpoena or court order.

(d) The service provider shall release the backup copy to the requesting governmental entity no sooner than 14 days after the governmental entity's notice to the subscriber or customer if the service provider:

(1) has not received notice from the subscriber or customer that the subscriber or customer has challenged the governmental entity's request; and

(2) has not initiated proceedings to challenge the request of the governmental entity.

(e) A governmental entity may seek to require the creation of a backup copy under subdivision 1, paragraph (a), if in its sole discretion the entity determines that there is reason to believe that notification under section 49 of the existence of the subpoena or court order may result in destruction of or tampering with evidence. This determination is not subject to challenge by the subscriber or customer or service provider.

Subd. 2. [CUSTOMER CHALLENGES.] (a) Within 14 days after notice by the governmental entity to the subscriber or customer under subdivision 1, paragraph (b), the subscriber or customer may file a motion to quash the subpoena or vacate the court order, with copies served upon the governmental entity and with written notice of the challenge to the service provider. A motion to vacate a court order must be filed in the court which issued the order. A motion to quash a subpoena must be filed in the district court of the county in which the governmental entity issuing the subpoena is located. The motion or application must contain an affidavit or sworn statement:

(1) stating that the applicant is a customer or subscriber to the service from which the contents of electronic communications maintained for him have been sought; and

(2) stating the applicant's reasons for believing that the records sought are not relevant to a legitimate law enforcement inquiry or that there has not been substantial compliance with the provisions of this chapter in some other respect.

(b) Service must be made under this section upon a governmental entity by delivering or mailing by registered or certified mail a copy of the papers to the person, office, or department specified in the notice which the customer has received under sections 47 to 55. For the purposes of this section, the term "delivery" means handing it to the person specified in the notice or handing it to the person, or his designee, in charge of the office or department specified in the notice.

(c) If the court finds that the customer has complied with paragraphs (a) and (b), the court shall order the governmental entity to file a sworn response. The response may be filed in camera if the governmental entity includes in its response the reasons that make in camera review appropriate. If the court is unable to determine the motion or application on the basis of the parties' initial allegations and response, the court may conduct additional proceedings as it

considers appropriate. Proceedings must be completed and the motion or application decided as soon as practicable after the filing of the governmental entity's response.

(d) If the court finds that the applicant is not the subscriber or customer for whom the communications sought by the governmental entity are maintained, or that there is a reason to believe that the law enforcement inquiry is legitimate and that the communications sought are relevant to that inquiry, it shall deny the motion or application and order the process enforced. If the court finds that the applicant is the subscriber or customer for whom the communications sought by the governmental entity are maintained, and that there is not a reason to believe that the communications sought are relevant to a legitimate law enforcement inquiry, or that there has not been substantial compliance with the provisions of sections 47 to 55, it shall order the process quashed.

(e) A court order denying a motion or application under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the customer.

Sec. 51. [626A.30] [DELAYED NOTICE.]

Subdivision 1. [DELAY OF NOTIFICATION.] (a) A governmental entity acting under section 49, subdivision 2, may:

(1) where a court order is sought, include in the application a request, which the court shall grant, for an order delaying the notification required under section 49, subdivision 2, for a period not to exceed 90 days, if the court determines that there is reason to believe that notification of the existence of the court order may have an adverse result described in paragraph (b) of this subdivision; or

(2) where an administrative subpoena or a grand jury subpoena is obtained, delay the notification required under section 49 for a period not to exceed 90 days upon the execution of a written certification of a supervisory official that there is reason to believe that notification of the existence of the subpoena may have an adverse result described in paragraph (b) of this subdivision.

(b) An adverse result for the purposes of paragraph (a) of this subdivision is:

- (1) endangering the life or physical safety of an individual;
- (2) flight from prosecution;
- (3) destruction of or tampering with evidence;
- (4) intimidation of potential witnesses; or

(5) otherwise seriously jeopardizing an investigation or unduly delaying a trial.

(c) The governmental entity shall maintain a true copy of certification under paragraph (a), clause (2).

(d) Extensions of the delay of notification provided in section 49 of up to 90 days each may be granted by the court upon application, or by certification by a governmental entity, but only in accordance with subdivision 2.

(e) Upon expiration of the period of delay of notification under paragraph (a) or (d) of this subdivision, the governmental entity shall serve upon, or deliver by registered or first-class mail to, the customer or subscriber a copy of the process or request together with notice that:

(1) states with reasonable specificity the nature of the law enforcement inquiry; and

(2) informs the customer or subscriber:

(i) that information maintained for the customer or subscriber by the service provider named in the process or request was supplied to or requested by that governmental authority and the date on which the supplying or request took place;

(ii) that notification of the customer or subscriber was delayed;

(iii) what governmental entity or court made the certification or determination under which that delay was made; and

(iv) which provision of sections 47 to 55 allowed such delay.

(f) As used in this subdivision, the term "supervisory official" means a peace officer with the rank of sergeant, or its equivalent, or above, a special agent in charge from the bureau of criminal apprehension, the attorney general, the head of the attorney general's criminal division, a county attorney, or the head of a county attorney's criminal division.

Subd. 2. [PRECLUSION OF NOTICE TO SUBJECT OF GOVERNMENTAL ACCESS.] A governmental entity acting under section 49 when it is not required to notify the subscriber or customer under section 49, subdivision 2, paragraph (a), or to the extent that it may delay notice under subdivision 1, may apply to a court for an order commanding a provider of electronic communications service or remote computing service to whom a warrant, subpoena, or court order is directed, for a period as the court considers appropriate, not to notify any other person of the existence of the warrant, subpoena,

or court order. The court shall enter an order if it determines that there is reason to believe that notification of the existence of the warrant, subpoena, or court order will result in:

- (1) endangering the life or physical safety of an individual;
- (2) flight from prosecution;
- (3) destruction of or tampering with evidence;
- (4) intimidation of potential witnesses; or
- (5) otherwise seriously jeopardizing an investigation or unduly delaying a trial.

Sec. 52. [626A.31] [COST REIMBURSEMENT.]

Subdivision 1. [PAYMENT.] Except as otherwise provided in subdivision 3, a governmental entity obtaining the contents of communications, records, or other information under sections 48, 49, and 50 shall pay to the person or entity assembling or providing the information a fee for reimbursement for costs that are reasonably necessary and that have been directly incurred in searching for, assembling, reproducing, or otherwise providing the information. The reimbursable costs must include any costs due to necessary disruption of normal operations of the electronic communication service or remote computing service in which the information may be stored.

Subd. 2. [AMOUNT.] The amount of the fee provided by subdivision 1, must be as mutually agreed by the governmental entity and the person or entity providing the information, or, in the absence of agreement, must be as determined by the court that issued the order for production of the information or the court before which a criminal prosecution relating to the information would be brought, if no court order was issued for production of the information.

Subd. 3. [INAPPLICABILITY.] The requirement of subdivision 1 does not apply with respect to records or other information maintained by a communications common carrier that relate to telephone toll records and telephone listings obtained under section 49. The court may, however, order a payment as described in subdivision 1 if the court determines the information required is unusually voluminous in nature or otherwise caused an undue burden on the provider.

Sec. 53. [626A.32] [CIVIL ACTION.]

Subdivision 1. [CAUSE OF ACTION.] Except as provided in section 49, subdivision 5, a provider of electronic communication

service, subscriber, or customer aggrieved by a violation of this chapter in which the conduct constituting the violation is engaged in with a knowing or intentional state of mind may, in a civil action, recover from the person or entity which engaged in that violation relief as may be appropriate.

Subd. 2. [RELIEF.] In a civil action under this section, appropriate relief includes:

(1) temporary and other equitable or declaratory relief as may be appropriate;

(2) damages under subdivision 3; and

(3) a reasonable attorney's fee and other litigation costs reasonably incurred.

Subd. 3. [DAMAGES.] The court may assess as damages in a civil action under this section the sum of the actual damages suffered by the plaintiff and any profits made by the violator as a result of the violation, but in no case is a person entitled to recover to receive less than the sum of \$1,000.

Subd. 4. [DEFENSE.] A good faith reliance on:

(1) a court warrant or order, a grand jury subpoena, a legislative authorization, or a statutory authorization; or

(2) a good faith determination that section 626A.02, subdivision 3, permitted the conduct complained of;

is a complete defense to a civil or criminal action brought under sections 47 to 55 or any other law.

Subd. 5. [LIMITATION.] A civil action under this section may not be commenced later than two years after the date upon which the claimant first discovered or had a reasonable opportunity to discover the violation.

Sec. 54. [626A.33] [EXCLUSIVITY OF REMEDIES.]

The remedies and sanctions described in sections 47 to 55 are the only judicial remedies and sanctions for nonconstitutional violations of sections 47 to 55.

Sec. 55. [626A.34] [DEFINITIONS.]

As used in sections 47 to 55, the term "remote computing service" means the provision to the public of computer storage or processing services by means of an electronic communication system.

Sec. 56. [626A.35] [GENERAL PROHIBITION ON PEN REGISTER AND TRAP AND TRACE DEVICE USE; EXCEPTION.]

Subdivision 1. [IN GENERAL.] Except as provided in this section, no person may install or use a pen register or a trap and trace device without first obtaining a court order under section 58.

Subd. 2. [EXCEPTION.] The prohibition of subdivision 1 does not apply with respect to the use of a pen register or a trap and trace device by a provider of electronic or wire communication service:

(1) relating to the operation, maintenance, and testing of a wire or electronic communication service or to the protection of the rights or property of the provider, or to the protection of users of that service from abuse of service or unlawful use of service; or

(2) to record the fact that a wire or electronic communication was initiated or completed in order to protect the provider, another provider furnishing service toward the completion of the wire communication, or a user of that service, from fraudulent, unlawful, or abusive use of service; or

(3) where the consent of the user of that service has been obtained.

Subd. 3. [PENALTY.] Whoever knowingly violates subdivision 1 shall be fined not more than \$3,000 or imprisoned not more than one year, or both.

Sec. 57. [626A.36] [APPLICATION FOR AN ORDER FOR A PEN REGISTER OR A TRAP AND TRACE DEVICE.]

Subdivision 1. [APPLICATION.] An investigative or law enforcement officer may make application for an order or an extension of an order under section 58 authorizing or approving the installation and use of a pen register or a trap and trace device under sections 56 to 60, in writing under oath or equivalent affirmation, to a district court.

Subd. 2. [CONTENTS OF APPLICATION.] An application under subdivision 1 must include:

(1) the identity of the law enforcement or investigative officer making the application and the identity of the law enforcement agency conducting the investigation; and

(2) a certification by the applicant that the information likely to be obtained is relevant to an ongoing criminal investigation being conducted by that agency.

Sec. 58. [626A.37] [ISSUANCE OF AN ORDER FOR A PEN REGISTER OR A TRAP AND TRACE DEVICE.]

Subdivision 1. [IN GENERAL.] Upon an application made under section 57, the court shall enter an ex parte order authorizing the installation and use of a pen register or a trap and trace device within the jurisdiction of the court if the court finds that the law enforcement or investigative officer has certified to the court that the information likely to be obtained by the installation and use is relevant to an ongoing criminal investigation.

Subd. 2. [CONTENTS OF ORDER.] (a) An order issued under this section must specify:

(1) the identity, if known, of the person to whom is leased or in whose name is listed the telephone line to which the pen register or trap and trace device is to be attached;

(2) the identity, if known, of the person who is the subject of the criminal investigation;

(3) the number and, if known, physical location of the telephone line to which the pen register or trap and trace device is to be attached and, in the case of a trap and trace device, the geographic limits of the trap and trace order; and

(4) a statement of the offense to which the information likely to be obtained by the pen register or trap and trace device relates.

(b) An order issued under this section must direct, upon the request of the applicant, the furnishing of information, facilities, and technical assistance necessary to accomplish the installation of the pen register or trap and trace device under section 59.

Subd. 3. [TIME PERIOD AND EXTENSIONS.] (a) An order issued under this section must authorize the installation and use of a pen register or a trap and trace device for a period not to exceed sixty days.

(b) Extensions of an order may be granted, but only upon an application for an order under section 57 and upon the judicial finding required by subdivision 1. The period of extension must be for a period not to exceed sixty days.

Subd. 4. [NONDISCLOSURE OF EXISTENCE OF PEN REGISTER OR A TRAP AND TRACE DEVICE.] An order authorizing or approving the installation and use of a pen register or a trap and trace device must direct that:

(1) the order be sealed until otherwise ordered by the court; and

(2) the person owning or leasing the line to which the pen register or a trap and trace device is attached, or who has been ordered by the court to provide assistance to the applicant, not disclose the existence of the pen register or trap and trace device or the existence of the investigation to the listed subscriber, or to any other person, unless or until otherwise ordered by the court.

Sec. 59. [626A.38] [ASSISTANCE IN INSTALLATION AND USE OF A PEN REGISTER OR A TRAP AND TRACE DEVICE.]

Subdivision 1. [PEN REGISTERS.] Upon the request of an officer of a law enforcement agency authorized to install and use a pen register under sections 56 to 60, a provider of wire or electronic communication service, landlord, custodian, or other person shall furnish the investigative or law enforcement officer immediately with all information, facilities, and technical assistance necessary to accomplish the installation of the pen register unobtrusively and with a minimum of interference with the services that the person so ordered by the court accords the party with respect to whom the installation and use is to take place, if the assistance is directed by a court order as provided in section 58, subdivision 2, paragraph (b).

Subd. 2. [TRAP AND TRACE DEVICE.] Upon the request of an officer of a law enforcement agency authorized to receive the results of a trap and trace device under sections 56 to 60, a provider of a wire or electronic communication service, landlord, custodian, or other person shall install the device immediately on the appropriate line and shall furnish the investigative or law enforcement officer all additional information, facilities, and technical assistance including installation and operation of the device unobtrusively and with a minimum of interference with the services that the person so ordered by the court accords the party with respect to whom the installation and use is to take place, if the installation and assistance is directed by a court order as provided in section 58, subdivision 2, paragraph (b). Unless otherwise ordered by the court, the results of the trap and trace device shall be furnished to the officer of a law enforcement agency, designated by the court, at reasonable intervals during regular business hours for the duration of the order.

Subd. 3. [COMPENSATION.] A provider of a wire or electronic communication service, landlord, custodian, or other person who furnishes facilities or technical assistance under this section must be reasonably compensated for reasonable expenses incurred in providing facilities and assistance.

Subd. 4. [NO CAUSE OF ACTION AGAINST A PROVIDER DISCLOSING CERTAIN INFORMATION.] No cause of action lies in any court against a provider of a wire or electronic communication service, its officers, employees, agents, or other specified

persons for providing information, facilities, or assistance in accordance with the terms of a court order under sections 56 to 60 .

Subd. 5. [DEFENSE.] A good faith reliance on a court order, a legislative authorization, or a statutory authorization is a complete defense against a civil or criminal action brought under sections 56 to 60 or any other law.

Sec. 60. [626A.39] [DEFINITIONS]

Subdivision 1. [APPLICABILITY.] The terms in this section apply to sections 56 to 60.

Subd. 2. [WIRE COMMUNICATION; ELECTRONIC COMMUNICATION; ELECTRONIC COMMUNICATION SERVICE.] The terms "wire communication," "electronic communication," and "electronic communication service" have the meanings set forth for the terms in section 626A.01.

Subd. 3. [PEN REGISTER.] "Pen register" means a device that records or decodes electronic or other impulses that identify the number dialed or otherwise transmitted on the telephone line to which the device is attached, but the term does not include a device used by a provider or customer of a wire or electronic communications service for billing, or recording as an incident to billing, for communications services provided by the provider or a device used by a provider or customer of a wire communication service for cost accounting or other like purposes in the ordinary course of its business.

Subd. 4. [TRAP AND TRACE DEVICE.] "Trap and trace device" means a device which captures the incoming electronic or other impulses that identify the originating number of an instrument or device from which a wire or electronic communication was transmitted.

Sec. 61. [626A.40] [SUBJECT TO OTHER LAWS.]

Nothing in sections 45 to 60 must be considered to authorize conduct constituting a violation of any law of the United States.

Sec. 62. [REPEALER.]

Minnesota Statutes 1986, sections 626A.01, 626A.02, 626A.03, 626A.04, 626A.05, as amended by Laws 1987, chapters 217, section 3; 329, section 17; 384, article 2, section 112, 626A.06, 626A.07, 626A.08, 626A.09, 626A.10, 626A.11, 626A.12, 626A.13, 626A.14, 626A.15, 626A.16, 626A.17, 626A.18, 626A.19, 626A.20, 626A.21, 626A.22, 626A.23, and sections 1 to 61 are repealed.

Sec. 63. [EFFECTIVE DATE.]

Sections 1 to 61 are effective August 1, 1988, and apply to crimes committed on or after that date. Section 62 is effective August 1, 1989.

Delete the title and insert:

"A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1986, sections 626A.01 to 626A.04; 626A.05, as amended; and 626A.06 to 626A.23."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2597, A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2607, A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2621, A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2638, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2653, A bill for an act relating to natural resources; designating the fossil of the castoroides ohioensis as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2654, A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; amending Minnesota Statutes 1986,

sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24.

Reported the same back with the following amendments:

Page 2, after line 17, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 352.96, subdivision 2, is amended to read:

Subd. 2. [PURCHASE OF SHARES.] The amount of compensation so deferred may be used to purchase:

(1) shares in the Minnesota supplemental investment fund established in section 11A.17;

(2) saving accounts in federally insured financial institutions;

(3) life insurance contracts, fixed annuity and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce; or

(4) a combination of (1), (2), or (3), as specified by the participant.

The shares accounts or contracts purchased shall stand in the name of the state or other employing unit, for the officer or employee whose deferred compensation purchased the shares, until distributed to the officer or employee in a manner agreed upon by the employee and the executive director of the Minnesota state retirement system, acting for the employer. This subdivision does not authorize an employer contribution, except as authorized in section 356.24, paragraph (a), clause (4). The state, political subdivision, or other employing unit is not responsible for any loss that may result from investment of the deferred compensation."

Page 3, line 1, after "for" insert "in uniformly applied personnel policies or"

Page 3, line 5, delete "two percent of salary or \$1,000" and insert "\$2,000" and after "year" delete the comma

Page 3, line 6, delete everything before the period

Page 3, delete lines 12 and 13 and insert "This act is effective"

Page 3, line 14, delete "beginning after"

Re-number the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 6, before the period insert “; Minnesota Statutes 1987 Supplement, section 352.96, subdivision 2”

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 2685, A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

“Section 1. [INTENT.]

The purpose of the laws relating to the administration of human services programs is to assure that public assistance benefits are distributed accurately and in a timely manner, and that services delivered to applicants for, and recipients of, public assistance benefits are complete.

The purpose of the laws relating to the compliance system established for certain public assistance programs is not to arbitrarily impose fiscal penalties on local agencies. Instead, the legislative intent is to reduce the possibility of sanctions and fiscal disallowances for noncompliance with federal regulations and to encourage compliance with state statutes, administrative rules, written policies and procedures. The primary focus of this legislation is to promote program management which provides those client

services provided for by law in a timely, accurate, and effective manner. To that end, these laws establish an incentive fund in order for the department to reward local agencies that meet written program performance standards. In addition, these laws expand department program monitoring efforts to include program assessment, corrective action plans, and technical assistance to help counties meet program performance standards."

Page 7, after line 5, insert:

"The commissioner shall utilize training, technical assistance, and monitoring activities, as specified in section 256.01, subdivision 2, to encourage local agency compliance with written policies and procedures."

Page 8, line 30, after the period insert "A local agency shall not be penalized for complying with a written policy or procedure, even if the policy or procedure is found to be erroneous and is subsequently rescinded by the commissioner."

Page 8, line 32, delete "quality control case"

Page 10, line 9, after "\$100,000" insert “, or 1.5 percent of the total benefit expenditures for the income maintenance programs listed in subdivision 1, for that county, whichever is the lesser amount,”

Page 27, delete lines 13 to 18 and insert "monitor local agency performance in administering the income maintenance programs, provide technical assistance and program support, and review local agency exceptions to compliance actions under the provisions included in this bill."

Page 27, line 25, after the period insert "No portion of this act shall be effective unless other legislation is enacted providing county property tax relief through increases in state funding of income maintenance programs."

Renumber the sections in sequence

Correct the internal references

With the recommendation that when so amended the bill be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2691, A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivisions 10, 12, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 4

Page 3, line 7, after "commission" insert "and any other state office, agency or board owning or operating a sport facility designated as an official training center by the national governing body of that sport"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "commission" insert "and certain other state entities"

Page 1, line 9, delete "subdivisions" and insert "subdivision" and delete "12,"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2720, A bill for an act relating to retirement; St. Paul police non-duty disability benefits; amending Laws 1955, chapter 151, section 9, subdivision 7, as amended.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2720 was re-referred to the Committee on Rules and Legislative Administration.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 462, A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; requiring parties to file a statement of assets and liabilities; providing that parties owe each other a fiduciary duty with respect to marital assets; amending Minnesota Statutes 1986, sections 518.54, subdivision 5; and 518.58.

Reported the same back with the following amendments:

Page 4, after line 22, insert:

“Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1988, and apply to dissolution and annulment proceedings commenced on or after that date.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1223, 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.

Reported the same back with the following amendments:

Page 1, line 22, delete “January” and insert “July”

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

S. F. No. 1608, A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980,

chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

Reported the same back with the following amendments:

Page 5, after line 28, insert:

“Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an amount not exceeding \$450,000, subject to such terms and conditions as may be established by the city or the agency, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term “small business” has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. This section expires June 30, 1990.”

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 3, after “laws;” insert “authorizing small business loans;”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 681, 1493, 1685, 1719, 1733, 1830, 1865, 1896, 1898, 1900, 1932, 1956, 2047, 2080, 2128, 2146, 2148, 2167, 2205, 2227, 2234, 2241, 2370, 2396, 2430, 2486, 2489, 2502, 2504, 2551, 2584, 2585, 2594, 2597, 2621, 2653 and 2654 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 462, 1223 and 1608 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Simoneau and Reding introduced:

H. F. No. 2767, A bill for an act relating to retirement; consolidating local police and salaried firefighters relief associations; providing a benefit increase for retirees and beneficiaries of consolidating relief associations; amending Minnesota Statutes 1987 Supplement, section 353A.08, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Forsythe, Jennings, Stanius, Clausnitzer and Onnen introduced:

H. F. No. 2768, A bill for an act relating to human services; establishing a 30-day state residence requirement for general assistance; amending Minnesota Statutes 1986, section 256D.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

McDonald introduced:

H. F. No. 2769, A bill for an act relating to holidays; designating May 30 as Memorial Day; amending Minnesota Statutes 1986, section 645.44, subdivision 5.

The bill was read for the first time and referred to the Committee on Governmental Operations.

Wenzel, Sparby, Bertram, Dille and Winter introduced:

H. F. No. 2770, A bill for an act relating to taxation; property; reducing the classification ratios for commercial-industrial property and providing for state payment to local units of government for the revenue lost as a result of the reduction; appropriating money; amending Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Wenzel, Cooper, Sarna, Steensma and DeBlieck introduced:

H. F. No. 2771, A bill for an act relating to taxation; income; providing a subtraction for certain expenses incurred in providing volunteer charitable services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

Valento, McKasy, Seaberg, Swenson and Gruenes introduced:

H. F. No. 2772, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Dempsey, Schafer, Blatz, Haukoos and Dille introduced:

H. F. No. 2773, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Schreiber, Waltman, Heap, Uphus and Johnson, V., introduced:

H. F. No. 2774, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Segal, Orenstein, Kahn and Greenfield introduced:

H. F. No. 2775, A resolution memorializing Kurt Waldheim to resign as President of Austria.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Wenzel, Winter, Dempsey and Quinn introduced:

H. F. No. 2776, A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

The bill was read for the first time and referred to the Committee on Taxes.

Jefferson introduced:

H. F. No. 2777, A bill for an act relating to taxation; income; allowing a credit for elderly and disabled taxpayers; repealing the piggy-back federal elderly and disabled credit; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

The bill was read for the first time and referred to the Committee on Taxes.

Neuenschwander, Krueger and Larsen introduced:

H. F. No. 2778, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Johnson, R., and Kinkel introduced:

H. F. No. 2779, A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

HOUSE ADVISORIES

The following House Advisories were introduced:

Greenfield; Skoglund; Jefferson; Johnson, A., and Long introduced:

H. A. No. 67, A proposal to study a safe school zone around public schools and a safe park zone around public parks.

The advisory was referred to the Committee on Judiciary.

Segal and Nelson, K., introduced:

H. A. No. 68, A proposal to study impact of living costs and training and experience on K-12 education.

The advisory was referred to the Committee on Education.

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. 1884, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

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. 2264, 2358, 2367, 1607, 1623, 1713, 1717 and 2134.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2264, A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

The bill was read for the first time.

Rose moved that S. F. No. 2264 and H. F. No. 2539, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2358, A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2358 and H. F. No. 2511, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2367, A bill for an act relating to natural resources; eliminating a diversion of game and fish license-fee money; repealing Laws 1987, chapter 373, section 15.

The bill was read for the first time.

Kahn moved that S. F. No. 2367 and H. F. No. 2521, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1607, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 1607 and H. F. No. 1862, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1623, A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1713, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

The bill was read for the first time.

Ogren moved that S. F. No. 1713 and H. F. No. 1898, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1717, A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

The bill was read for the first time.

Ogren moved that S. F. No. 1717 and H. F. No. 1900, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2134, A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

The bill was read for the first time.

Rukavina moved that S. F. No. 2134 and H. F. No. 2210, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1939, A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Osthoff	Shaver
Anderson, R.	Frerichs	Larsen	Otis	Simoneau
Battaglia	Greenfield	Lasley	Ozment	Skoglund
Bauerly	Gruenes	Lieder	Pappas	Solberg
Beard	Gutknecht	Marsh	Pauly	Sparby
Begich	Hartle	McEachern	Pelowski	Stanius
Bennett	Haukoos	McKasy	Peterson	Steenasma
Bertram	Heap	McLaughlin	Poppenhagen	Sviggum
Blatz	Himle	McPherson	Price	Swenson
Boo	Hugoson	Milbert	Quinn	Thiede
Brown	Jacobs	Miller	Quist	Tjornhom
Burger	Jaros	Minne	Redalen	Tompkins
Carlson, D.	Jefferson	Morrison	Reding	Trimble
Carlson, L.	Jennings	Munger	Rest	Tunheim
Carruthers	Jensen	Murphy	Rice	Uphus
Clark	Johnson, A.	Nelson, C.	Richter	Valento
Clausnitzer	Johnson, R.	Nelson, D.	Riveness	Vellenga
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Voss
Dauner	Kalis	Neuenschwander	Rose	Wagenius
Dawkins	Kelly	O'Connor	Rukavina	Waltman
DeBlicck	Kelso	Ogren	Sarna	Welle
Dempsey	Kinkel	Olsen, S.	Schafer	Wenzel
DeRaad	Kludt	Olson, E.	Scheid	Winter
Dille	Knickerbocker	Olson, K.	Schreiber	Wynia
Dorn	Knuth	Omann	Seaberg	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Segal	

The bill was passed and its title agreed to.

H. F. No. 2490 was reported to the House.

Tunheim moved to amend H. F. No. 2490, the first engrossment, as follows:

Pages 1, 2, and 3, delete section 2

Page 3, line 16, delete "3." and insert "2."

Page 3, line 17, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title as follows:

Page 1, line 3, delete "Chisago and Kittson counties" and insert "Kittson county"

The motion prevailed and the amendment was adopted.

H. F. No. 2490, A bill for an act relating to state land; conveying title to state land in Kittson 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Osthoff	Simoneau
Anderson, R.	Frerichs	Larsen	Otis	Skoglund
Battaglia	Greenfield	Lasley	Ozment	Solberg
Bauerly	Gruenes	Lieder	Pappas	Sparby
Beard	Gutknecht	Long	Pauly	Stanius
Begich	Hartle	Marsh	Pelowski	Steensma
Bennett	Haukoos	McEachern	Peterson	Sviggum
Bertram	Heap	McKasy	Poppenhagen	Swenson
Bishop	Himle	McLaughlin	Price	Thiede
Blatz	Hugoson	McPherson	Quinn	Tjornhom
Boo	Jacobs	Milbert	Quist	Tompkins
Brown	Jaros	Miller	Redalen	Trimble
Burger	Jefferson	Minne	Reding	Tunheim
Carlson, D.	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Wagenius
Cooper	Kahn	Nelson, K.	Rose	Waltman
Dauner	Kalis	Neuenschwander	Rukavina	Welle
Dawkins	Kelly	O'Connor	Sarna	Wenzel
DeBlieck	Kelso	Ogren	Schafer	Winter
Dempsey	Kinkel	Olsen, S.	Scheid	Wynia
DeRaad	Kludt	Olson, E.	Schreiber	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Seaberg	
Dorn	Knuth	Omann	Segal	
Forsythe	Kostohryz	Onnen	Shaver	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2554, A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clark
Anderson, R.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner

Dawkins	Johnson, R.	Minne	Price	Stanius
DeBlieck	Johnson, V.	Morrison	Quinn	Steensma
Dempsey	Kahn	Munger	Quist	Sviggum
DeRaad	Kalis	Murphy	Redalen	Swenson
Dille	Kelly	Nelson, C.	Reding	Thiede
Dorn	Kelso	Nelson, D.	Rest	Tjornhom
Forsythe	Kinkel	Nelson, K.	Rice	Tompkins
Frederick	Kludt	Neuenschwander	Richter	Trimble
Frerichs	Knickerbocker	O'Connor	Riveness	Tunheim
Greenfield	Knuth	Ogren	Rodosovich	Uphus
Gruenes	Kostohryz	Olsen, S.	Rose	Valento
Gutknecht	Krueger	Olson, E.	Rukavina	Vellenga
Hartle	Larsen	Olson, K.	Sarna	Voss
Haukoos	Lasley	Omann	Schafer	Wagenius
Heap	Lieder	Onnen	Scheid	Waltman
Himle	Long	Osthoff	Schreiber	Welle
Hugoson	Marsh	Otis	Seaberg	Wenzel
Jacobs	McEachern	Ozment	Segal	Winter
Jaros	McKasy	Pappas	Shaver	Wynia
Jefferson	McLaughlin	Pauly	Simoneau	Spk. Vanasek
Jennings	McPherson	Pelowski	Skoglund	
Jensen	Milbert	Peterson	Solberg	
Johnson, A.	Miller	Poppenhagen	Sparby	

The bill was passed and its title agreed to.

H. F. No. 2703, A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kelly	Nelson, K.	Rodosovich
Anderson, R.	Dorn	Kelso	Neuenschwander	Rose
Battaglia	Forsythe	Kinkel	O'Connor	Rukavina
Bauerly	Frederick	Kludt	Ogren	Sarna
Beard	Frerichs	Knickerbocker	Olsen, S.	Schafer
Begich	Greenfield	Knuth	Olson, E.	Scheid
Bennett	Gruenes	Kostohryz	Omann	Schreiber
Bertram	Gutknecht	Krueger	Onnen	Seaberg
Blatz	Hartle	Larsen	Osthoff	Shaver
Boo	Haukoos	Lieder	Otis	Skoglund
Brown	Heap	Long	Ozment	Solberg
Burger	Himle	Marsh	Pappas	Sparby
Carlson, D.	Hugoson	McEachern	Pauly	Stanius
Carlson, L.	Jacobs	McKasy	Pelowski	Steensma
Carruthers	Jaros	McLaughlin	Peterson	Sviggum
Clark	Jefferson	McPherson	Poppenhagen	Swenson
Clausnitzer	Jennings	Milbert	Price	Thiede
Cooper	Jensen	Miller	Quinn	Tjornhom
Dauner	Johnson, A.	Minne	Quist	Tompkins
Dawkins	Johnson, R.	Morrison	Redalen	Trimble
DeBlieck	Johnson, V.	Munger	Reding	Tunheim
Dempsey	Kahn	Murphy	Rest	Uphus
DeRaad	Kalis	Nelson, C.	Riveness	Valento

Vellenga
Voss

Wagenius
Waltman

Welle
Wenzel

Winter
Wypia

Spk. Vanasek

Those who voted in the negative were:

Lasley

Olson, K.

The bill was passed and its title agreed to.

H. F. No. 1585, A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake.

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.	Frerichs	Krueger	Onnen	Shaver
Anderson, R.	Greenfield	Larsen	Osthoff	Simoneau
Battaglia	Gruenes	Lasley	Otis	Skoglund
Bauerly	Gutknecht	Lieder	Ozment	Solberg
Beard	Hartle	Long	Pappas	Sparby
Begich	Haukoos	Marsh	Pauly	Stanius
Bennett	Heap	McEachern	Pelowski	Steensma
Bertram	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Prie	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Vellenga
Cooper	Kahn	Nelson, D.	Rodosovich	Voss
Dauner	Kalis	Nelson, K.	Rose	Wagenius
Dawkins	Kelly	Neuenschwander	Rukavina	Waltman
DeBlieck	Kelso	O'Connor	Sarna	Welle
Dempsey	Kinkel	Ogren	Schafer	Wenzel
DeRaad	Kludt	Olsen, S.	Scheid	Winter
Dorn	Knickerbocker	Olson, E.	Schreiber	Wypia
Forsythe	Knuth	Olson, K.	Seaberg	Spk. Vanasek
Frederick	Kostohryz	Omann	Segal	

The bill was passed and its title agreed to.

H. F. No. 2000, A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minneosta Statutes 1986, section 548.15.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Omann	Seaberg
Anderson, R.	Frerichs	Krueger	Onnen	Segal
Battaglia	Greenfield	Larsen	Osthoff	Shaver
Bauerly	Gruenes	Lasley	Otis	Simoneau
Beard	Gutknecht	Lieder	Skzment	Skoglund
Begich	Hartle	Long	Pappas	Solberg
Bennett	Haukoos	Marsh	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Blatz	Himle	McKasy	Peterson	Steensma
Boo	Hugoson	McLaughlin	Poppenhagen	Sviggum
Brown	Jacobs	McPherson	Price	Swenson
Burger	Jaros	Milbert	Quinn	Thiede
Carlson, D.	Jefferson	Miller	Quist	Tjornhom
Carlson, L.	Jennings	Minne	Redalen	Tompkins
Carruthers	Jensen	Morrison	Reding	Trimble
Clark	Johnson, A.	Munger	Rest	Tunheim
Clausnitzer	Johnson, R.	Murphy	Rice	Uphus
Cooper	Johnson, V.	Nelson, C.	Richter	Valento
Dauner	Kahn	Nelson, D.	Riveness	Vellenga
Dawkins	Kalis	Nelson, K.	Rodosovich	Voss
DeBlick	Kelly	Neuenschwander	Rose	Wagenius
Dempsey	Kelso	O'Connor	Rukavina	Waltman
DeRaad	Kinkel	Ogren	Sarna	Welle
Dille	Kludt	Olsen, S.	Schafer	Wenzel
Dorn	Knickerbocker	Olson, E.	Scheid	Winter
Forsythe	Knuth	Olson, K.	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2059, A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dempsey	Haukoos	Johnson, V.
Anderson, R.	Burger	DeRaad	Heap	Kahn
Battaglia	Carlson, D.	Dille	Himle	Kalis
Bauerly	Carlson, L.	Dorn	Hugoson	Kelly
Beard	Carruthers	Forsythe	Jacobs	Kelso
Begich	Clark	Frederick	Jaros	Kinkel
Bennett	Clausnitzer	Frerichs	Jefferson	Kludt
Bertram	Cooper	Greenfield	Jennings	Knickerbocker
Bishop	Dauner	Gruenes	Jensen	Knuth
Blatz	Dawkins	Gutknecht	Johnson, A.	Kostohryz
Boo	DeBlick	Hartle	Johnson, R.	Krueger

Larsen	Nelson, C.	Pauly	Rukavina	Thiede
Lasley	Nelson, D.	Pelowski	Sarna	Tjornhom
Lieder	Nelson, K.	Peterson	Schafer	Tompkins
Long	Neuenschwander	Poppenhagen	Schreiber	Trimble
Marsh	O'Connor	Price	Seaberg	Tunheim
McEachern	Ogren	Quinn	Segal	Uphus
McKasy	Olsen, S.	Quist	Shaver	Valento
McLaughlin	Olson, E.	Redalen	Simoneau	Vellenga
McPherson	Olson, K.	Reding	Skoglund	Voss
Milbert	Omann	Rest	Solberg	Wagenius
Miller	Onnen	Rice	Sparby	Waltman
Minne	Osthoff	Richter	Stanius	Welle
Morrison	Otis	Rivness	Steensma	Wenzel
Munger	Ozment	Rodosovich	Sviggum	Winter
Murphy	Pappas	Rose	Swenson	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 896, A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knuth	Olson, K.	Schreiber
Anderson, R.	Frederick	Kostohryz	Omann	Seaberg
Battaglia	Frerichs	Krueger	Onnen	Segal
Bauerly	Greenfield	Larsen	Osthoff	Shaver
Beard	Gruenes	Lasley	Otis	Simoneau
Begich	Gutknecht	Lieder	Ozment	Skoglund
Bennett	Hartle	Long	Pappas	Solberg
Bertram	Haukoos	Marsh	Pauly	Sparby
Bishop	Heap	McEachern	Pelowski	Stanius
Blatz	Himle	McKasy	Peterson	Steensma
Boo	Hugoson	McLaughlin	Poppenhagen	Sviggum
Brown	Jacobs	McPherson	Price	Swenson
Burger	Jaros	Milbert	Quinn	Thiede
Carlson, D.	Jefferson	Miller	Quist	Tjornhom
Carlson, L.	Jennings	Minne	Redalen	Tompkins
Carruthers	Jensen	Morrison	Reding	Trimble
Clark	Johnson, A.	Munger	Rest	Tunheim
Clausnitzer	Johnson, R.	Murphy	Rice	Uphus
Cooper	Johnson, V.	Nelson, C.	Richter	Valento
Dauner	Kahn	Nelson, D.	Rivness	Vellenga
Dawkins	Kalis	Nelson, K.	Rodosovich	Voss
DeBlick	Kelly	Neuenschwander	Rose	Wagenius
Dempsey	Kelso	O'Connor	Rukavina	Waltman
DeRaad	Kinkel	Ogren	Sarna	Welle
Dille	Kludt	Olsen, S.	Schafer	Wenzel
Dorn	Knickerbocker	Olson, E.	Scheid	Winter
				Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, Monday, March 21, 1988:

H. F. Nos. 2232, 2253, 2388 and 1777; S. F. No. 1710; H. F. Nos. 1812, 2596, 1935, 1957, 1897 and 2468; S. F. No. 187; and H. F. Nos. 2041, 2049, 2106, 2115, 2155, 2441, 2524, 1794, 1971, 1983, 2185, 2190, 2224, 2272, 2419, 2422, 2470, 2487, 2568, 1469, 1526, 1848, 2118, 2193, 2210, 2235, 2341, 2364, 2446, 2450, 2481, 2514, 2542, 2567 and 2642.

SPECIAL ORDERS

H. F. No. 2232 was reported to the House.

Jacobs moved to amend H. F. No. 2232, the first engrossment, as follows:

Page 2, line 17, before the first "A" insert "(a)"

Page 2, lines 19 to 21, delete the new language and insert:

"(b) No municipality shall grant an additional franchise for cable service for an area included in an existing franchise on terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to: (1) the area served; (2) public, educational, or governmental access requirements; or (3) franchise fees. The provisions of this paragraph shall not apply when the area in which the additional franchise is being sought is not actually being served by any existing cable communications company holding a franchise for the area. Nothing in this paragraph prevents a municipality from imposing additional terms and conditions on any additional franchises."

The motion prevailed and the amendment was adopted.

H. F. No. 2232, A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sec-

tions 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Omann	Seaberg
Anderson, R.	Frerichs	Krueger	Onnen	Segal
Battaglia	Greenfield	Larsen	Osthoff	Shaver
Bauerly	Gruenes	Lasley	Otis	Simoneau
Beard	Gutknecht	Lieder	Ozment	Skoglund
Begich	Hartle	Long	Pappas	Solberg
Bennett	Haukoos	Marsh	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Bishop	Himle	McKasy	Peterson	Steensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Brown	Jacobs	McPherson	Price	Swenson
Burger	Jaros	Milbert	Quinn	Thiede
Carlson, D.	Jefferson	Miller	Quist	Tjornhom
Carlson, L.	Jennings	Minne	Redalen	Tompkins
Carruthers	Jensen	Morrison	Reding	Trimble
Clark	Johnson, A.	Munger	Rest	Tunheim
Clausnitzer	Johnson, R.	Murphy	Rice	Uphus
Cooper	Johnson, V.	Nelson, C.	Richter	Valento
Dauner	Kahn	Nelson, D.	Riveness	Vellenga
Dawkins	Kalis	Nelson, K.	Rodosovich	Voss
DeBlieck	Kelly	Neuenschwander	Rose	Wagenius
Dempsey	Kelso	O'Connor	Rukavina	Waltman
DeRaad	Kinkel	Ogren	Sarna	Welle
Dille	Kludt	Olsen, S.	Schafer	Wenzel
Dorn	Knickerbocker	Olson, E.	Scheid	Winter
Forsythe	Knuth	Olson, K.	Schreiber	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2253, A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

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 7 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Simoneau
Anderson, R.	Frerichs	Larsen	Osthoff	Skoglund
Battaglia	Greenfield	Lasley	Otis	Solberg
Bauerly	Gruenes	Lieder	Ozment	Sparby
Beard	Hartle	Long	Pauly	Stanius
Begich	Haukoos	Marsh	Pelowski	Steensma
Bennett	Heap	McEachern	Peterson	Swenson
Bertram	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Blatz	Jacobs	Milbert	Price	Tompkins
Brown	Jaros	Minne	Quinn	Trimble
Burger	Jefferson	Morrison	Redalen	Tunheim
Carlson, D.	Jennings	Munger	Reding	Uphus
Carlson, L.	Jensen	Murphy	Rest	Valento
Carruthers	Johnson, A.	Nelson, C.	Rice	Vellenga
Clark	Johnson, R.	Nelson, D.	Riveness	Voss
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlicke	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

Those who voted in the negative were:

Gutknecht	Miller	Shaver	Thiede
Himle	Quist	Svigum	

The bill was passed and its title agreed to.

H. F. No. 2388 was reported to the House.

Rice moved to amend H. F. No. 2388, as follows:

Page 2, line 3, after "classification" insert "within an unrepresented bargaining unit"

The motion prevailed and the amendment was adopted.

H. F. No. 2388, A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Onnen	Seaberg
Anderson, R.	Frederick	Krueger	Orenstein	Segal
Battaglia	Frerichs	Larsen	Osthoff	Shaver
Bauerly	Greenfield	Lasley	Otis	Simoneau
Beard	Gruenes	Lieder	Ozment	Skoglund
Begich	Gutknecht	Long	Pappas	Solberg
Bennett	Hartle	Marsh	Pauly	Sparby
Bertram	Haukoos	McEachern	Pelowski	Stanisus
Bishop	Heap	McKasy	Peterson	Steenasma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Boo	Jacobs	McPherson	Price	Swenson
Brown	Jaros	Milbert	Quinn	Thiede
Burger	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, A.	Munger	Rest	Tunheim
Clark	Johnson, R.	Murphy	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Valento
Cooper	Kahn	Nelson, D.	Riveness	Vellenga
Dauner	Kalis	Nelson, K.	Rodosovich	Voss
Dawkins	Kelly	O'Connor	Rose	Wagenius
DeBlicck	Kelso	Ogren	Rukavina	Waltman
Dempsey	Kinkel	Olsen, S.	Sarna	Welle
DeRaad	Kludt	Olson, E.	Schafer	Wenzel
Dille	Knickerbocker	Olson, K.	Scheid	Winter
Dorn	Knuth	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1777 was reported to the House.

Sarna moved to amend H. F. No. 1777, the first engrossment, as follows:

Page 1, line 19, delete "percentage and"

Page 1, line 20, delete "carried to four decimal places" and insert "dollar amount"

Page 1, line 21, delete ".5" and insert "1.5" and delete "or an"

Page 1, delete line 22

Page 1, line 23, delete everything before the period and insert "and does not exist unless the time weighted total rate of return of the fund exceeds five percent"

Page 2, line 5, delete "for at least" and insert "during the" and delete "as of" and insert "prior to"

Page 2, line 6, after the period insert "Members who received an annuity for the entire 12 months prior to the determination date are eligible for a full annual postretirement payment."

Page 2, line 6, delete "were receiving" and insert "received"

Page 2, line 7, delete "as of" and insert "prior to"

Page 2, line 8, after "prorated" insert "annual"

Page 2, after line 12, insert:

"(b) The board of trustees of the relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be applied for the purposes specified in paragraphs (c) and (d). Excess investment income must not be considered for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216. Additional investment income must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

(c) The amount determined by paragraph (b) must be applied as follows:

(1) one-third of the excess investment income must be paid as a benefit to eligible members under paragraph (d) in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year must be reduced by one-third of the amount of the excess investment income; and

(3) the minimum obligation of the municipality otherwise due to the relief association for the following calendar year must be reduced by one-third of the amount of excess investment income."

Page 2, line 13, delete "(b)" and insert "(d)"

Page 2, line 14, delete "a percent" and insert "an"

Page 2, line 15, delete "the amount of excess investment income" and insert ".5 percent of the assets of the fund"

Page 2, line 22, delete "(a)" and insert "(b)"

Page 2, line 25, before the comma insert "available for distribution to members"

Page 2, line 31, delete "(c)" and insert "(e)"

Page 2, line 35, delete "(d)" and insert "(f)"

Page 3, line 18, delete "percentage"

Page 3, line 19, delete everything before the semicolon and insert "dollar amount"

Page 3, line 20, delete ".5" and insert "1.5" and delete "or"

Page 3, delete line 21

Page 3, line 22, delete everything before the period and insert "and does not exist unless the time weighted total rate of return of the fund exceeds five percent"

Page 3, line 30, delete "for at least" and insert "during the" and delete "as of" and insert "prior to"

Page 3, line 31, after the period insert "Members who received an annuity for the entire 12 months prior to the determination date are eligible for a full annual postretirement payment" and delete "were receiving" and insert "received"

Page 3, line 32, delete "as of" and insert "prior to"

Page 3, line 33, after "prorated" insert "annual"

Page 4, after line 1, insert:

"(b) The board of trustees of the relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be applied for the purposes specified in paragraphs (c) and (d). Excess investment income must not be considered for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216. Additional investment income must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

(c) The amount determined by paragraph (b) must be applied as follows:

(1) one-third of the excess investment income must be paid as a benefit to eligible members under paragraph (d) in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year must be reduced by one-third of the amount of the excess investment income; and

(3) the minimum obligation of the municipality otherwise due to the relief association for the following calendar year must be reduced by one-third of the amount of excess investment income."

Page 4, line 2, delete "(b)" and insert "(d)"

Page 4, line 3, delete "a percent" and insert "an"

Page 4, line 4, delete "the amount of excess investment income" and insert ".5 percent of the assets of the fund"

Page 4, line 11, delete "(a)" and insert "(b)"

Page 4, line 14, after "income" insert "available for distribution to members"

Page 4, line 20, delete "(c)" and insert "(e)"

Page 4, line 24, delete "(d)" and insert "(f)"

Page 4, after line 29, insert:

"Sec. 3. [NONENTITLEMENT OF ANNUAL POSTRETIREMENT PAYMENT.]

No provision of, or payment made under, sections 1 or 2 shall be interpreted or relied upon by any member of either the Minneapolis police relief association or the Minneapolis fire department relief association to guarantee or entitle a member to annual postretirement benefits for a period when no excess investment income is earned by either fund."

Page 4, line 30, delete "3" and insert "4"

The motion prevailed and the amendment was adopted.

H. F. No. 1777, A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police offic-

ers and Minneapolis firefighters, their surviving spouses and dependents; amending Laws 1949, chapter 406, section 5, 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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Lasley	Otis	Simoneau
Anderson, R.	Frederick	Lieder	Ozment	Skoglund
Battaglia	Gruenes	Long	Pappas	Solberg
Bauerly	Gutknecht	Marsh	Pauly	Sparby
Beard	Hartle	McEachern	Pelowski	Stanius
Begich	Heap	McKasy	Peterson	Steensma
Bennett	Hugoson	McLaughlin	Poppenhagen	Sviggum
Bertram	Jacobs	McPherson	Price	Swenson
Bishop	Jaros	Milbert	Quinn	Thiede
Blatz	Jefferson	Miller	Quist	Tjornhom
Brown	Jennings	Minne	Redalen	Tompkins
Burger	Jensen	Morrison	Reding	Trimble
Carlson, D.	Johnson, A.	Munger	Rest	Tunheim
Carlson, L.	Johnson, R.	Nelson, C.	Rice	Uphus
Carruthers	Johnson, V.	Nelson, D.	Richter	Valento
Clark	Kalis	Neuenschwander	Rodosovich	Vellenga
Clausnitzer	Kelly	O'Connor	Rose	Voss
Cooper	Kelso	Ogren	Rukavina	Wagenius
Dauner	Kinkel	Olsen, S.	Sarna	Waltman
Dawkins	Kludt	Olson, E.	Schafer	Welle
DeBlick	Knickerbocker	Olson, K.	Scheid	Wenzel
Dempsey	Knuth	Omann	Schreiber	Winter
DeRaad	Kostohryz	Onnen	Seaberg	Wynia
Dille	Krueger	Orenstein	Segal	Spk. Vanasek
Dorn	Larsen	Osthoff	Shaver	

The bill was passed, as amended, and its title agreed to.

S. F. No. 1710, A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

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.	Bauerly	Bennett	Boo	Carlson, D.
Anderson, R.	Beard	Bertram	Brown	Carlson, L.
Battaglia	Begich	Blatz	Burger	Carruthers

Clark	Jensen	Miller	Peterson	Solberg
Clausnitzer	Johnson, A.	Minne	Poppenhagen	Sparby
Cooper	Johnson, R.	Morrison	Price	Stanius
Dauner	Johnson, V.	Munger	Quinn	Steensma
Dawkins	Kalis	Murphy	Quist	Sviggum
DeBlieck	Kelly	Nelson, C.	Redalen	Swenson
Dempsey	Kelso	Nelson, D.	Reding	Thiede
DeRaad	Kinkel	Nelson, K.	Rest	Tjornhom
Dille	Kludt	Neuenschwander	Rice	Tompkins
Dorn	Knickerbocker	O'Connor	Richter	Trimble
Forsythe	Knuth	Ogren	Riveness	Tunheim
Frederick	Kostohryz	Olsen, S.	Rodosovich	Uphus
Greenfield	Krueger	Olson, E.	Rose	Valento
Gruenes	Larsen	Olson, K.	Rukavina	Vellenga
Gutknecht	Lasley	Omann	Sarna	Voss
Hartle	Lieder	Onnen	Schafer	Wagenius
Haukoos	Long	Orenstein	Scheid	Waltman
Heap	Marsh	Osthoff	Schreiber	Welle
Hugoson	McEachern	Otis	Seaberg	Wenzel
Jacobs	McKasy	Ozment	Segal	Winter
Jaros	McLaughlin	Pappas	Shaver	Wymia
Jefferson	McPherson	Pauly	Simoneau	Spk. Vanasek
Jennings	Milbert	Pelowski	Skoglund	

The bill was passed and its title agreed to.

The Speaker called Long to the Chair.

H. F. No. 1812 was reported to the House.

Miller moved that H. F. No. 1812 be re-referred to the Committee on Appropriations.

A roll call was requested and properly seconded.

The question was taken on the Miller motion and the roll was called. There were 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeBlieck	Jefferson	Lieder	Olson, E.
Battaglia	Dempsey	Jennings	Long	Olson, K.
Bauerly	DeRaad	Jensen	Marsh	Omann
Beard	Dille	Johnson, A.	McEachern	Onnen
Begich	Dorn	Johnson, R.	McKasy	Orenstein
Bennett	Forsythe	Johnson, V.	McLaughlin	Osthoff
Bertram	Frederick	Kahn	McPherson	Otis
Blatz	Frerichs	Kalis	Milbert	Ozment
Boo	Greenfield	Kelly	Miller	Pauly
Brown	Gruenes	Kelso	Minne	Pelowski
Burger	Gutknecht	Kinkel	Morrison	Peterson
Carlson, D.	Hartle	Kludt	Murphy	Poppenhagen
Carlson, L.	Haukoos	Knickerbocker	Nelson, C.	Price
Carruthers	Heap	Knuth	Nelson, D.	Quinn
Clark	Himle	Kostohryz	Nelson, K.	Quist
Clausnitzer	Hugoson	Krueger	Neuenschwander	Redalen
Cooper	Jacobs	Larsen	O'Connor	Reding
Dauner	Jaros	Lasley	Olsen, S.	Rest

Rice	Scheid	Sparby	Trimble	Wenzel
Richter	Schreiber	Stanius	Tunheim	Winter
Riveness	Seaberg	Steensma	Uphus	Wynia
Rodosovich	Segal	Sviggum	Vellenga	Spk. Vanasek
Rose	Shaver	Swenson	Voss	
Rukavina	Simoneau	Thiede	Wagenius	
Sarna	Skoglund	Tjornhom	Waltman	
Schafer	Solberg	Tompkins	Welle	

Those who voted in the negative were:

Dawkins Pappas

The motion prevailed and H. F. No. 1812 was re-referred to the Committee on Appropriations.

H. F. No. 2596 was reported to the House.

McLaughlin moved to amend H. F. No. 2596, the first engrossment, as follows:

Page 10, after line 34, insert:

“Subd. 7. [COORDINATION WITH LEGISLATURE.] The council and each agency shall facilitate legislative oversight of equal opportunity practices by providing the legislature access, including computerized access if compatible systems exist, to public data maintained by the agency.”

The motion prevailed and the amendment was adopted.

McLaughlin moved to amend H. F. No. 2596, the first engrossment, as amended, as follows:

Page 2, lines 13 and 14, delete “and assure agency compliance with the requirements of this subdivision”

Page 3, line 4, after “report” insert “, except for reports of disciplinary action,”

Page 3, line 6, after the period, insert “Reports of disciplinary action must specify what protected group, if any, the disciplined person is a member of.”

Page 3, line 24, after “for” insert “and status of”; after “and” delete “any” and insert “must state whether”

Page 3, line 25, after “action” insert “was”

Page 6, line 32, delete "require" and insert "attempt to assure"

Page 6, line 34, delete "small"

Page 7, line 3, delete "small"

Page 7, line 20, after "16B.21" insert "that pertains to purchasing from businesses owned by socially or economically disadvantaged persons."

Page 10, line 24, after the period, insert "In providing this information, the council and agencies are not required to reveal information that is not public data under chapter 13."

The motion prevailed and the amendment was adopted.

H. F. No. 2596, A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473.

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 114 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Johnson, R.	Milbert	Ozment
Anderson, R.	DeBlicek	Kahn	Minne	Pappas
Battaglia	Dempsey	Kalis	Morrison	Pauly
Bauerly	DeRaad	Kelly	Munger	Pelowski
Beard	Dille	Kelso	Murphy	Peterson
Begich	Dorn	Kinkel	Nelson, C.	Price
Bennett	Forsythe	Kludt	Nelson, D.	Quinn
Bertram	Greenfield	Knickerbocker	Nelson, K.	Reding
Blatz	Gruenes	Knuth	Neuenschwander	Rest
Boo	Gutknecht	Kostohryz	O'Connor	Rice
Brown	Hartle	Krueger	Ogren	Riveness
Burger	Heap	Larsen	Olsen, S.	Rodosovich
Carlson, D.	Himle	Lasley	Olson, E.	Rose
Carlson, L.	Jacobs	Lieder	Olson, K.	Rukavina
Carruthers	Jaros	Long	Omann	Sarna
Clark	Jefferson	Marsh	Onnen	Scheid
Clausnitzer	Jennings	McEachern	Orenstein	Seaberg
Cooper	Jensen	McKasy	Osthoff	Segal
Dauner	Johnson, A.	McLaughlin	Otis	Shaver

Simoneau	Steensma	Tunheim	Voss	Winter
Skoglund	Swenson	Uphus	Wagenius	Wynia
Solberg	Tjornhom	Valento	Welle	Spk. Vanasek
Sparby	Trimble	Vellenga	Wenzel	

Those who voted in the negative were:

Frederick	Hugoson	Miller	Redalen	Svigum
Frerichs	Johnson, V.	Poppenhagen	Schafer	Thiede
Haukoos	McPherson	Quist	Stanius	Waltman

The bill was passed, as amended, and its title agreed to.

H. F. No. 1935 was reported to the House.

Skoglund and Minne moved to amend H. F. No. 1935, the first engrossment, as follows:

Page 1, before line 8, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 62A.27, is amended to read:

62A.27 [COVERAGE FOR ADOPTED CHILDREN.]

~~No An individual or group policy or plan of health and accident insurance regulated under this chapter or chapter 64B, subscriber contract regulated under chapter 62C, or health maintenance contract regulated under chapter 62D, providing coverage for more than one person may be issued or renewed in this state after August 1, 1983, unless the policy, plan, or contract covers that provides coverage to a Minnesota resident must cover adopted children of the insured, subscriber, or enrollee on the same basis as other dependents. Consequently, the policy or plan shall not contain any provision concerning preexisting condition limitations, insurability, eligibility, or health underwriting approval concerning adopted children.~~

The coverage required by this section is effective from the date of placement for the purpose of adoption and continues unless the placement is disrupted prior to legal adoption and the child is removed from placement.”

Page 1, line 22, after “1988,” insert “that provides coverage to a Minnesota resident”

Renumber sections in sequence

Page 1, after line 25, insert:

“Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following its final enactment.”

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Orenstein moved to amend H. F. No. 1935, the first engrossment, as amended, as follows:

Page 1, after line 25, insert:

“Sec. 26. [62A.161] [COVERAGE FOR SERVICES PROVIDED TO A VENTILATOR-DEPENDENT PERSON.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B. This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] If a policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1988, provides coverage for services provided by a private duty nurse or personal care assistant to a ventilator-dependent person in the person's home, it must provide coverage for up to 120 hours of services provided by a private duty nurse or personal care assistant to the ventilator-dependent person during the time the ventilator-dependent person is in a hospital licensed under chapter 144. Subject to the patient's rights under Minnesota Statutes, section 144.651, the hospital, physicians and hospital staff, consistent with the standards of care in the medical community, shall, while the patient is hospitalized, at all times retain final decision-making authority and otherwise retain responsibility for the care and treatment of the ventilator-dependent patient. The personal care assistant or private duty nurse shall perform the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. After the 120 hour transition period, an assessment may be made by the ventila-

tor-dependent patient, the attending physician and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant is necessary and appropriate for the patient's needs."

Correct internal cross references

Renumber sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1935, A bill for an act relating to insurance; accident and health; broadening the average for adopted children; requiring coverage for routine diagnostic procedures for cancer and services provided to ventilator-dependent persons; amending Minnesota Statutes 1987 Supplement, section 62A.27; and proposing coding for new law in Minnesota Statutes, chapter 62A.

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 122 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Larsen	Orenstein	Shaver
Anderson, R.	Greenfield	Lasley	Osthoff	Simoneau
Battaglia	Gruenes	Lieder	Otis	Skoglund
Bauerly	Hartle	Long	Ozment	Solberg
Beard	Heap	Marsh	Pappas	Sparby
Begich	Himle	McEachern	Pauly	Stanius
Bennett	Hugoson	McKasy	Pelowski	Steensma
Bertram	Jacobs	McLaughlin	Peterson	Sviggum
Blatz	Jaros	Milbert	Price	Swenson
Boo	Jefferson	Miller	Quinn	Tjornhom
Brown	Jennings	Minne	Quist	Trumble
Burger	Jensen	Morrison	Reding	Uphus
Carlson, D.	Johnson, A.	Munger	Rest	Valento
Carlson, L.	Johnson, R.	Murphy	Rice	Vellenga
Carruthers	Johnson, V.	Nelson, C.	Richter	Voss
Clark	Kahn	Nelson, D.	Riveness	Wagenius
Clausnitzer	Kalis	Nelson, K.	Rodosovich	Waltman
Cooper	Kelly	Neuenschwander	Rose	Welle
Dauner	Kelso	O'Connor	Rukavina	Wenzel
Dawkins	Kinkel	Ogren	Sarna	Winter
DeBlick	Kludt	Olsen, S.	Schafer	Wynia
Dempsey	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
DeRaad	Knuth	Olson, K.	Schreiber	
Dille	Kostohryz	Omann	Seaberg	
Dorn	Krueger	Onnen	Segal	

Those who voted in the negative were:

Frederick Frerichs	Gutknecht Haukoos	Poppenhagen Redalen	Thiede
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1957, A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; permitting the sealing of marriage dissolution records; proposing coding for new law in Minnesota Statutes, chapter 518.

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.	Frerichs	Larsen	Orenstein	Segal
Anderson, R.	Greenfield	Lasley	Osthoff	Shaver
Battaglia	Gruenes	Lieder	Otis	Simoneau
Bauerly	Gutknecht	Long	Ozment	Skoglund
Beard	Hartle	Marsh	Pappas	Solberg
Begich	Haukoos	McEachern	Pauly	Sparby
Bennett	Heap	McKasy	Pelowski	Stanius
Bertram	Hugoson	McLaughlin	Peterson	Steenasma
Blatz	Jacobs	McPherson	Poppenhagen	Sviggum
Boo	Jaros	Milbert	Price	Swenson
Brown	Jefferson	Miller	Quinn	Thiede
Burger	Jennings	Minne	Quist	Tjornhom
Carlson, D.	Jensen	Morrison	Redalen	Tompkins
Carlson, L.	Johnson, A.	Munger	Reding	Trimble
Carruthers	Johnson, R.	Murphy	Rest	Tunheim
Clark	Johnson, V.	Nelson, C.	Rice	Uphus
Clausnitzer	Kahn	Nelson, D.	Richter	Valento
Cooper	Kalis	Nelson, K.	Riveness	Vellenga
Dauner	Kelly	Neuenschwander	Rodosovich	Voss
DeBlicke	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olson, S.	Sarna	Welle
Dille	Knickerbocker	Olson, E.	Schafer	Wenzel
Dorn	Knuth	Olson, K.	Scheid	Winter
Forsythe	Kostohryz	Omann	Schreiber	Spk. Vanasek
Frederick	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1897, A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insol-

vencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivisions 1 and 2; 60C.06, by adding a subdivision; 60C.13, subdivision 2; 60C.15; and 60C.18; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1987 Supplement, section 60C.06, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Segal
Anderson, R.	Frerichs	Larsen	Osthoff	Shaver
Battaglia	Greenfield	Lasley	Otis	Simoneau
Bauerly	Gruenes	Lieder	Ozment	Skoglund
Beard	Gutknecht	Long	Pappas	Solberg
Begich	Hartle	Marsh	Pauly	Sparby
Bennett	Haukoos	McEachern	Pelowski	Stanius
Bertram	Heap	McKasy	Peterson	Steensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Boo	Jacobs	McPherson	Price	Swenson
Brown	Jaros	Milbert	Quinn	Thiede
Burger	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, A.	Murphy	Rest	Tunheim
Clark	Johnson, R.	Nelson, C.	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Valento
Cooper	Kahn	Nelson, K.	Riveness	Vellenga
Dauner	Kalis	Neuenschwander	Rodosovich	Voss
Dawkins	Kelly	O'Connor	Rose	Wagenius
DeBlicke	Kelso	Ogren	Rukavina	Waltman
Dempsey	Kinkel	Olsen, S.	Sarna	Welle
DeRaad	Kludt	Olson, E.	Schafer	Wenzel
Dille	Knickerbocker	Olson, K.	Scheid	Winter
Dorn	Knuth	Omann	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 2468, A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Omann	Segal
Anderson, R.	Frerichs	Krueger	Onnen	Shaver
Battaglia	Greenfield	Larsen	Orenstein	Simoneau
Bauerly	Gruenes	Lasley	Otis	Skoglund
Beard	Gutknecht	Lieder	Ozment	Solberg
Begich	Hartle	Long	Pappas	Sparby
Bennett	Haukoos	Marsh	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steensma
Blatz	Himle	McKasy	Peterson	Sviggum
Boo	Hugoson	McLaughlin	Poppenhagen	Swenson
Brown	Jacobs	McPherson	Price	Tjornhom
Burger	Jaros	Milbert	Quinn	Tompkins
Carlson, D.	Jefferson	Miller	Redalen	Trimble
Carlson, L.	Jennings	Minne	Reding	Tunheim
Carruthers	Jensen	Morrison	Rest	Uphus
Clark	Johnson, A.	Munger	Rice	Valento
Clausnitzer	Johnson, R.	Murphy	Richter	Vellenga
Cooper	Johnson, V.	Nelson, C.	Riveness	Voss
Dauner	Kahn	Nelson, D.	Rodosovich	Wagenius
Dawkins	Kalis	Nelson, K.	Rose	Waltman
DeBlicke	Kelly	Neuenschwander	Rukavina	Welle
Dempsey	Kelso	O'Connor	Sarna	Wenzel
DeRaad	Kinkel	Ogren	Schafer	Winter
Dille	Kludt	Olsen, S.	Scheid	Wynia
Dorn	Knickerbocker	Olson, E.	Schreiber	Spk. Vanasek
Forsythe	Knuth	Olson, K.	Seaberg	

The bill was passed and its title agreed to.

S. F. No. 187 was reported to the House.

Ogren moved to amend S. F. No. 187, the unofficial engrossment, as follows:

Page 4, line 10, after “\$50” and before the comma insert “per item”

The motion prevailed and the amendment was adopted.

Larsen moved to amend S. F. No. 187, the unofficial engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [504.30] [TITLE.]

Sections 1 to 8 may be cited as the “Minnesota self-service storage act.”

Sec. 2. [504.31] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 8, the terms defined in this section have the meanings given them.

Subd. 2. [SELF-SERVICE STORAGE FACILITY.] “Self-service storage facility” means real property or a portion thereof that is designed and used only for renting or leasing individual enclosures, cubicles, or rooms permanently constructed and affixed to the real property and locked for security by the occupant in the facility under the following conditions:

(1) the occupants have access to the enclosures, cubicles, or rooms only for the purpose of storing and removing personal property;

(2) the owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the enclosures, cubicles, or rooms; and

(3) the property has 50 or more individual enclosures, cubicles, or rooms.

The term does not include a garage used principally for parking motor vehicles or any property of a financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the financial institution’s customers.

Subd. 3. [OWNER.] “Owner” means one or more persons, jointly or severally, who are either the owner of a self-service storage facility, or the lessor of an entire self-service storage facility, and who receive rent from an occupant under a rental agreement entered into with the occupant.

Subd. 4. [OCCUPANT.] “Occupant” means a person who rents an enclosure, cubicle, or room at a self-service storage facility under a rental agreement entered into with the owner.

Subd. 5. [RENTAL AGREEMENT.] “Rental agreement” means a written agreement that is entered into by the owner and the occupant and that establishes the terms and conditions of the occupant’s use of enclosures, cubicles, or rooms at a self-service storage facility.

Subd. 6. [PERSONAL PROPERTY.] “Personal property” means money and every inanimate tangible thing that is the subject of ownership. The term does not include anything forming part of a parcel of real estate and agricultural commodities.

Subd. 7. [DEFAULT.] “Default” means failure of the occupant to pay the rent and other charges becoming due under the rental agreement within 15 days of the rents and other charges becoming due under the terms of the rental agreement.

Sec. 3. [504.32] [RENTAL AGREEMENTS.]

The rental agreement between the owner and the occupant must include a disclosure of the rights of the owner upon failure of the occupant to pay rent, and the extent and the limits of insurance carried by the owner covering the occupant's personal property stored in the leased premises. A rental agreement may not include an exculpatory clause. The rental agreement must request the occupant to insert an alternate mailing address.

Sec. 4. [504.33] [DISCLOSURE AND ACTIONS.]

Subdivision 1. [DISCLOSURE.] There must be disclosed to the occupant either in the rental agreement or otherwise in writing prior to commencement of the occupancy the name and address of:

(1) the person authorized to manage the premises; and

(2) an owner of the premises or an agent authorized by the owner to accept service of process and receive and give receipt for notices and demands.

Subd. 2. [POSTING OF NOTICE.] A printed or typewritten notice containing the information that must be disclosed under subdivision 1 must be placed in a conspicuous place on the premises.

Subd. 3. [ALTERNATE SERVICE.] If subdivisions 1 and 2 have not been complied with and an occupant desiring to make service of process upon or give a notice or demand to the owner does not know the name and address of the owner or the owner's agent, as that term is used in subdivision 1, then a caretaker or manager of the premises or an individual to whom rental payments for the premises are made is considered to be an agent authorized to accept service of process and receive and give receipt for notices and demands on behalf of the owner.

Subd. 4. [ACTION.] Except as otherwise provided in this subdivision, an owner may not maintain an action to recover rent or possession of the premises unless the information required by this section has been disclosed to the occupant, or unless the information is known by or has been disclosed to the occupant at least 30 days prior to the initiation of the action. Failure by the owner to post a notice required by subdivision 2 does not prevent any action to recover rent or possession of the premises.

Subd. 5. [APPLICATION.] This section applies to any successor owner, caretaker, manager, or individual to whom rental payments for the storage space are made.

Sec. 5. [504.34] [DEFAULT.]

If an occupant defaults in the payment of rent or otherwise

breaches the rental agreement, the owner may commence an unlawful detainer action under section 566.01.

Sec. 6. [504.35] [WAIVER OR MODIFICATION PROHIBITED.]

The owner and occupant may not waive or modify the provisions of sections 1 to 8.

Sec. 7. [504.36] [ADVERTISING.]

An owner may not advertise or represent its services, or permit its services to be advertised or represented, in a manner that uses the word "warehouse" or "storage" unless the owner is licensed and bonded as provided in chapter 231.

Sec. 8. [504.37] [ENFORCEMENT.]

The rights and remedies of owners and occupants under sections 1 to 7 must be enforced in accordance with the provisions contained therein.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1988, and apply to rental agreements entered into on or after that date."

Delete the title and insert:

"A bill for an action relating to landlords and tenants; regulating self-service storage facilities; proposing coding for new law in Minnesota Statutes, chapter 504."

A roll call was requested and properly seconded.

The question was taken on the Larsen amendment and the roll was called. There were 17 yeas and 98 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Larsen	Rice	Solberg	Wenzel
Carruthers	Lieder	Rodosovich	Stanis	
Dille	McLaughlin	Segal	Uphus	
Heap	Orenstein	Skoglund	Voss	

Those who voted in the negative were:

Anderson, R.	Bennett	Burger	Dauner	Frederick
Battaglia	Bertram	Carlson, L.	DeBlieck	Greenfield
Bauerly	Bishop	Clark	DeRaad	Gruenes
Beard	Boo	Clausnitzer	Dorn	Hartle
Begeh	Brown	Cooper	Forsythe	Himle

Hugoson	Kostohryz	O'Connor	Quinn	Steensma
Jaros	Krueger	Ogren	Quist	Svigum
Jefferson	Lasley	Olsen, S.	Reding	Swenson
Jennings	Long	Olsen, E.	Rest	Thiede
Jensen	Marsh	Olson, K.	Richter	Tjornhom
Johnson, R.	McEachern	Omann	Riveness	Tompkins
Johnson, V.	McPherson	Osthoff	Rose	Trimble
Kahn	Milbert	Otis	Rukavina	Tunheim
Kalis	Miller	Ozment	Sarna	Valento
Kelly	Minne	Pappas	Schafer	Wagenius
Kelso	Morrison	Pauly	Scheid	Waltman
Kinkel	Murphy	Pelowski	Schreiber	Welle
Kludt	Nelson, C.	Peterson	Seaberg	Winter
Knickerbocker	Nelson, K.	Poppenhagen	Shaver	
Knuth	Neuenschwander	Price	Sparby	

The motion did not prevail and the amendment was not adopted.

Stanius moved to amend S. F. No. 187, the unofficial engrossment, as amended, as follows:

Page 6, after line 29, insert:

“Sec. 11. [514.980] [STORAGE OF HAZARDOUS MATERIALS AND WASTE.]

It shall be unlawful for an owner or lessor or employee of the owner or lessor to permit or assist any person to engage in any other business or activity in a self-service storage facility unit other than the storage of personal property; provided that there shall be no storage of hazardous materials or hazardous wastes as defined by law or the environmental protection agency and the Minnesota pollution control agency. Violation of this section is a misdemeanor and voids any owner's lien during the entire period of time of the violation.”

Re-number remaining section in sequence

Re-number internal section references

The motion did not prevail and the amendment was not adopted.

S. F. No. 187, A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knuth	Onnen	Schreiber
Anderson, R.	Forsythe	Kostohryz	Orenstein	Seaberg
Battaglia	Frederick	Krueger	Osthoff	Segal
Bauerly	Frerichs	Lasley	Otis	Shaver
Beard	Greenfield	Lieder	Ozment	Skoglund
Begich	Gruenes	Long	Pappas	Solberg
Bennett	Gutknecht	Marsh	Pauly	Sparby
Bertram	Hartle	McEachern	Pelowski	Steensma
Bishop	Haukoos	McKasy	Peterson	Sviggum
Blatz	Heap	McLaughlin	Poppenhagen	Swenson
Boo	Himle	McPherson	Price	Thiede
Brown	Hugoson	Milbert	Quinn	Tjornhom
Burger	Jacobs	Miller	Quist	Tompkins
Carlson, D.	Jaros	Minne	Redalen	Trimble
Carlson, L.	Jefferson	Nelson, C.	Reding	Tunheim
Carruthers	Jennings	Nelson, D.	Rest	Uphus
Clark	Jensen	Nelson, K.	Richter	Valento
Clausnitzer	Johnson, R.	Neuenschwander	Riveness	Voss
Cooper	Johnson, V.	O'Connor	Rodosovich	Wagenius
Dauner	Kahn	Ogren	Rose	Waltman
DeBlieck	Kalis	Olsen, S.	Rukavina	Welle
Dempsey	Kelly	Olson, E.	Sarna	Winter
DeRaad	Kinkel	Olson, K.	Schafer	Spk. Vanasek
Dille	Knickerbocker	Omann	Scheid	

Those who voted in the negative were:

Larsen	Murphy	Rice	Wenzel
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The bill was passed, as amended, and its title agreed to.

Jennings was excused for the remainder of today's session.

H. F. No. 2041 was reported to the House.

Waltman and Brown moved to amend H. F. No. 2041, the first engrossment, as follows:

Page 4, line 15, after "May 1, 1988," insert "which is the subject of purchase agreement or other contract for sale executed prior to the day following enactment of this act"

Page 4, line 15, after "ownership" insert "by a corporation or a pension or investment fund"

Page 4, line 19, after "May 1, 1988," insert "if owned pursuant to a purchase agreement or other contract for sale executed prior to the day following final enactment of this act."

Page 4, line 21, before the semicolon insert ". Agricultural land owned by an authorized farm partnership as of the effective date of this act may not be expanded"

Page 6, lines 7 and 9, reinstate the stricken language and delete the new language

The motion prevailed and the amendment was adopted.

Sparby moved to amend H. F. No. 2041, the first engrossment, as amended, as follows:

Page 7, after line 32, insert:

"A limited partnership is subject to the reporting requirements provided in subdivision 4 for corporations and pension or investment funds."

The motion prevailed and the amendment was adopted.

H. F. No. 2041, A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivision 3; Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

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 112 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kludt	Olsen, S.	Rukavina
Anderson, R.	Dorn	Knuth	Olson, E.	Sarna
Battaglia	Frederick	Kostohryz	Olson, K.	Schafer
Bauerly	Frerichs	Krueger	Omann	Scheid
Beard	Greenfield	Larsen	Onnen	Segal
Begich	Gruenes	Lasley	Orenstein	Simoneau
Bennett	Gutknecht	Lieder	Osthoff	Skoglund
Bertram	Hartle	Long	Otis	Solberg
Bishop	Haukoos	Marsh	Ozment	Sparby
Boo	Hugoson	McEachern	Pappas	Steensma
Brown	Jacobs	McLaughlin	Pelowski	Sviggum
Burger	Jaros	McPherson	Peterson	Tompkins
Carlson, D.	Jefferson	Milbert	Poppenhagen	Trimble
Carlson, L.	Jensen	Minne	Price	Tunheim
Carruthers	Johnson, A.	Munger	Quinn	Uphus
Clark	Johnson, R.	Murphy	Redalen	Vellenga
Cooper	Johnson, V.	Nelson, C.	Reding	Voss
Dauner	Kahn	Nelson, D.	Rest	Wagenius
Dawkins	Kalis	Nelson, K.	Rice	Waltman
DeBlieck	Kelly	Neuenschwander	Richter	Welle
Dempsey	Kelso	O'Connor	Riveness	Wenzel
DeRaad	Kinkel	Ogren	Rodosovich	Winter
				Wynia
				Spk. Vanasek

Those who voted in the negative were:

Blatz	Knickerbocker	Pauly	Seaberg	Thiede
Forsythe	McKasy	Quist	Shaver	Tjornhom
Heap	Miller	Rose	Stanius	Valento
Himle	Morrison	Schreiber	Swenson	

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2049 was reported to the House.

Skoglund moved to amend H. F. No. 2049, the first engrossment, as follows:

Page 1, before line 14, insert:

“Section 1. Minnesota Statutes 1986, section 60A.08, is amended by adding a subdivision to read:

Subd. 13. [EXCLUSIONS.] All liability policies must provide coverage for rented vehicles as required in chapter 65B.

This subdivision does not apply to liability policies that the commissioner has exempted by order.

This coverage can be excess over any and all specific motor vehicle coverage that is applicable.

Sec. 2. Minnesota Statutes 1987 Supplement, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. [RENTAL VEHICLES.] (a) No Every plan of reparation security may be issued or renewed after August 1, 1987, unless the plan provides that all coverages under the plan are extended to any motor vehicle while being rented by the named insured. The plan insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, must also provide that all or any part of the obligation of the named insured for property damage and loss of use to a rented vehicle would be covered by the collision or comprehensive portion of the plan. The plan must provide that any deductible will not apply to claims that arise while a motor vehicle is being rented by a named insured property damage liability portion of the plan. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$25,000, the coverage available under the subdivision must be \$25,000. Other than as described in this paragraph, nothing in this

section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in section 65B.49.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period ~~or~~ the vehicle is rented ~~principally~~ for business purposes.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to rental vehicles and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), claims must be made against the plan covering the motor vehicle most often driven by the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, ~~1988~~ 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice. A form approved by the commissioner must be reasonably calculated to put the insured on notice of the coverage.

(f) When a motor vehicle is rented or leased in this state on a weekly or daily basis, the rental contract must contain a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of a this motor vehicle unless the rental is principally for business use or rented on a monthly or longer basis against damage to the vehicle and against loss of use of the vehicle. Therefore, purchase of any collision damage waiver or other similar insurance affected in this rental contract may is not be necessary if your policy was issued in Minnesota.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

Sec. 3. Minnesota Statutes 1987 Supplement, section 72A.125, is amended by adding a subdivision to read:

Subd. 3. [COLLISION DAMAGE WAIVER.] A "collision damage waiver" is a discharge of the responsibility of the renter or leasee to return the motor vehicle in the same condition as when it was first rented. The waiver is a full and complete discharge of the responsibility to return the vehicle in the same condition as when it was first rented. The waiver may not contain any exclusions except those approved by the commissioner pursuant to the requirements contained in section 61A.02, subdivisions 2 to 5."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, before "regulating" insert "clarifying the intent of the legislature regarding certain motor vehicle coverages;"

Page 1, line 9, after "sections" insert "60A.08, by adding a subdivision;" and delete "and" and insert "Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

H. F. No. 2049, A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Onnen	Segal
Anderson, R.	Frederick	Krueger	Orenstein	Shaver
Battaglia	Frerichs	Larsen	Osthoff	Simoneau
Bauerly	Greenfield	Lasley	Otis	Skoglund
Beard	Gruenes	Lieder	Ozment	Solberg
Begich	Gutknecht	Long	Pappas	Sparby
Bennett	Hartle	Marsh	Pauly	Stanius
Bertram	Haukoos	McEachern	Pelowski	Steensma
Bishop	Heap	McKasy	Peterson	Sviggum
Blatz	Himle	McLaughlin	Price	Swenson
Boo	Hugoson	McPherson	Quinn	Tjornhom
Brown	Jacobs	Milbert	Quist	Tompkins
Burger	Jaros	Miller	Redalen	Trimble
Carlson, D.	Jefferson	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Uphus
Carruthers	Johnson, A.	Munger	Rice	Valento
Clark	Johnson, R.	Murphy	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Waltman
Dauner	Kalis	Nelson, K.	Rose	Welle
Dawkins	Kelly	Neuenschwander	Rukavina	Wenzel
DeBlieck	Kelso	O'Connor	Sarna	Winter
Dempsey	Kinkel	Ogren	Schafer	Wynia
DeRaad	Kludt	Olsen, S.	Scheid	Spk. Vanasek
Dille	Knickerbocker	Olson, E.	Schreiber	
Dorn	Knuth	Olson, K.	Seaberg	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2106 was reported to the House.

Milbert moved to amend H. F. No. 2106, as follows:

Page 2, line 11, after "society" insert "located in the county"

Page 2, line 12, delete "deems" and insert "certifies to the executive director"

Page 2, line 13, after "of" insert "retirement coverage under" and delete "Such a classification" and insert ", which status shall be accorded to all similarly situated county historical society employees and"

Page 2, line 15, delete "meets other requirements of this chapter" and insert "is not excluded under subdivision 2b"

The motion prevailed and the amendment was adopted.

H. F. No. 2106, A bill for an act relating to public employees; providing that certain historical society employees be eligible for

public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Shaver
Bauerly	Gruenes	Lieder	Otis	Simoneau
Beard	Gutknecht	Long	Ozment	Skoglund
Begich	Hartle	Marsh	Pappas	Solberg
Bennett	Haukoos	McEachern	Pauly	Sparby
Bertram	Heap	McKasy	Pelowski	Stanius
Bishop	Himle	McLaughlin	Peterson	Steensma
Blatz	Hugoson	McPherson	Poppenhagen	Svigum
Brown	Jacobs	Milbert	Price	Swenson
Burger	Jaros	Miller	Quinn	Thiede
Carlson, D.	Jefferson	Minne	Quist	Tjornhom
Carlson, L.	Jensen	Morrison	Redalen	Tompkins
Carruthers	Johnson, A.	Munger	Reding	Trimble
Clark	Johnson, R.	Murphy	Rest	Tunheim
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Uphus
Cooper	Kahn	Nelson, D.	Richter	Valento
Dauner	Kalis	Nelson, K.	Riveness	Vellenga
Dawkins	Kelly	Neuenschwander	Rodosovich	Voss
DeBlieck	Kelso	O'Connor	Rose	Wagenius
Dempsey	Kinkel	Ogren	Rukavina	Waltman
DeRaad	Kludt	Olsen, S.	Sarna	Welle
Dille	Knickerbocker	Olson, E.	Schafer	Wenzel
Dorn	Knuth	Olson, K.	Scheid	Winter
Forsythe	Kostohryz	Omamm	Schreiber	Wynia
Frederick	Krueger	Onnen	Seaberg	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

Wynia moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Stanius moved that the name of Bennett be added as an author on H. F. No. 1865. The motion prevailed.

Bennett moved that the names of Osthoff and Valento be added as authors on H. F. No. 1953. The motion prevailed.

Rodosovich moved that the names of Welle and Lasley be added as authors on H. F. No. 2372. The motion prevailed.

Scheid moved that the name of McKasy be added as an author on H. F. No. 2430. The motion prevailed.

Murphy moved that H. F. No. 1724 be returned to its author. The motion prevailed.

Lasley moved that H. F. No. 1755 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, March 22, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, March 22, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 22, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Dwight Haberman, Grace United Methodist Church, Burnsville, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Anderson, R.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Shaver
Beard	Hartle	Long	Otis	Simoneau
Begich	Haukoos	Marsh	Ozment	Skoglund
Bennett	Heap	McDonald	Pappas	Solberg
Bertram	Himle	McEachern	Pauly	Sparby
Bishop	Hugoson	McKasy	Pelowski	Stanius
Blatz	Jacobs	McLaughlin	Peterson	Steensma
Boo	Jaros	McPherson	Poppenhagen	Sviggum
Brown	Jefferson	Milbert	Price	Swenson
Burger	Jennings	Miller	Quinn	Thiede
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
DeRaad	Kludt	Ogren	Rukavina	Welle
Dille	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dorn	Knuth	Olson, E.	Schafer	Winter
Forsythe	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

A quorum was present.

Tjornhom was excused until 1:30 p.m. Gutknecht was excused until 1:40 p.m. Carlson, D., was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Voss 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. 1865, 1898, 1900, 2370, 2502, 2551, 2584, 2597, 2621, 2653, 2128, 2227, 2241, 2430, 681, 1493, 1719, 1830, 2047, 2080, 2146, 2148, 2167, 2232, 2234, 2388, 2654, 1685, 2396, 2486, 2489, 2490, 2504, 2585, 2594, 1733, 1896, 1932, 1956, 2205, 1777, 2041, 2106, 2596, 1935 and 2049 and S. F. Nos. 2264, 2358, 2367, 1607, 1623, 1713, 1717, 2134, 1608, 462 and 1223 have been placed in the members' files.

S. F. No. 2367 and H. F. No. 2521, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2367 be substituted for H. F. No. 2521 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2358 and H. F. No. 2511, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2358 be substituted for H. F. No. 2511 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2264 and H. F. No. 2539, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rose moved that S. F. No. 2264 be substituted for H. F. No. 2539 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1607 and H. F. No. 1862, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nelson, K., moved that the rules be so far suspended that S. F. No. 1607 be substituted for H. F. No. 1862 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2134 and H. F. No. 2210, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 2134 be substituted for H. F. No. 2210 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1717 and H. F. No. 1900, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ogren moved that S. F. No. 1717 be substituted for H. F. No. 1900 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1713 and H. F. No. 1898, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 1713 be substituted for H. F. No. 1898 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 89, A bill for an act relating to animals; providing for the return of lost animals to their owners; prohibiting transfer of certain dogs and cats for use in research; providing a penalty; amending Minnesota Statutes 1986, section 35.71.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 35.71, subdivision 3, is amended to read:

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. At least one of the business days must be a Saturday or Sunday. 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 seizure;

(d) the name and address of the person from whom any animal three months of age or over was received; and

(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 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.

Sec. 2. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3a. [CONVEYANCE PROHIBITED WITHOUT LICENSE.] An establishment may not convey a dog or cat to an institution that is not licensed under this section.

Sec. 3. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3b. [DOGS AND CATS BEARING IDENTIFICATION.] An establishment shall check for identification on each dog or cat, identify the owner by the identification whenever possible, and promptly notify the owner of the location of the animal by the most expedient means. An establishment may not convey to an institution a dog or cat with a collar or other form of identification attached, unless there is in the possession of the establishment a surrender form signed by the owner of the dog or cat that it may be released to an institution for research and teaching.

Sec. 4. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3c. [DISPOSITION OF DOGS AND CATS.] Dogs and cats not returned to their owners or conveyed to institutions must be adopted out as pet and companion animals or humanely euthanized. An establishment may not transfer dogs or cats to dealers, as defined in section 347.31, subdivision 4, or out-of-state institutions.

Sec. 5. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3d. [NOTICE TO PUBLIC.] An establishment that conveys dogs and cats to institutions must post a conspicuous notice at the establishment's site where dogs and cats are surrendered and must place a notice on each surrender form. The notice must state that dogs and cats left with the establishment may be conveyed to an institution for research and teaching purposes.

Sec. 6. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 4a. [RECOVERY OF DOGS AND CATS.] An institution that receives dogs and cats from an establishment must have a procedure for permitting the owner of a lost dog or cat to determine if the institution has the animal.

Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 346.54, is repealed.

Delete the title and insert:

“A bill for an act relating to animals; establishing requirements for establishments that convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1986, section 346.54.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 482, A bill for an act relating to education; establishing the state board of technical colleges; prescribing powers, transferring functions; requiring report; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [ADVISORY TASK FORCE.]

A task force shall be established to study the governance options for post-secondary education between the state university system, community college system, and technical institute system. The task force shall consider issues related to system mission differentiation, facilities, employment contracts, implementation, and other related concerns. The advisory task force shall be appointed by the chairs of the senate education and house higher education committees and house appropriations and senate finance divisions. Members shall

include: one legislator from each of those committees and divisions; two representatives of the community colleges; two representatives of the technical institutes; two representatives of the state universities; two representatives of labor; two representatives of business; one student representative each from the community colleges and technical institutes; two members appointed by the Minnesota school boards association; a member of the HECB staff; a representative of the department of employee relations; and a mediator from the bureau of mediation services. The task force shall select a chair. Staffing shall be provided by senate counsel and research and house research. The advisory task force shall report its recommended procedures to the legislature by February 1, 1989, at which time the task force would cease to exist.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the advisory task force for expenses."

Delete the title and insert:

"A bill for an act relating to education; establishing a task force to study post-secondary governance options; appropriating money."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 926, A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.75 and 148.76, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 148.70, is amended to read:

148.70 [APPLICANTS, QUALIFICATIONS.]

It shall be the duty of the board of medical examiners with the advice and assistance of the physical therapy council to pass upon

the qualifications of applicants for registration, continuing education requirements for reregistration, provide for and conduct all examinations following satisfactory completion of all didactic requirements, determine the applicants who successfully pass the examination, and duly register such applicants after the applicant has presented evidence satisfactory to the board that the applicant has completed a program of education or continuing education approved by the board.

Sec. 2. Minnesota Statutes 1986, section 148.73, is amended to read:

148.73 [RENEWALS.]

Every registered physical therapist shall, during each January, apply to the board for an extension of registration and pay a fee in the amount set by the board. ~~Registration that is not so extended on or before January 31 each year, shall automatically lapse on said date. The board, in its discretion, may revive and extend a lapsed registration on the payment of the required fees. Registrants shall likewise pay the annual registration fee for the balance of the first year of their registration.~~ The extension of registration is contingent upon demonstration that the continuing education requirements set by the board under section 148.709 have been satisfied.

Sec. 3. Minnesota Statutes 1986, section 148.74, is amended to read:

148.74 [RULES.]

The board is authorized to adopt rules as may be necessary to carry out the purposes of sections 148.65 to 148.78. The secretary of the board shall keep a record of proceedings under these sections and a register of all persons registered under it. The register shall show the name, address, date and number of registration, and the renewal thereof. Any other interested person in the state may obtain a copy of such list on request to the board upon payment of an amount as may be fixed by the board, which shall not exceed the cost of the list so furnished. The board shall provide blanks, books, certificates, and stationery and assistance as is necessary for the transaction of the business of the board and the physical therapy council hereunder, and all money received by the board under sections 148.65 to 148.78 shall be paid into the state treasury as provided for by law. The board shall set by rule the amounts of the application fee and the annual registration fee. The fees collected by the board must be sufficient to cover the costs of administering sections 148.65 to 148.78.

Sec. 4. Minnesota Statutes 1986, section 148.75, is amended to read:

148.75 [CERTIFICATES; DENIAL, SUSPENSION, REVOCATION.]

The state board of medical examiners may refuse to grant registration to any physical therapist, or may suspend or revoke the registration of any physical therapist for any of the following grounds:

(a) using drugs or intoxicating liquors to an extent which affects professional competence;

(b) been convicted of a felony;

(c) conviction for violating any state or federal narcotic law;

(d) procuring, aiding or abetting a criminal abortion;

(e) registration or attempted registration by fraud or deception;

(f) conduct unbecoming a person registered as a physical therapist or conduct detrimental to the best interests of the public;

(g) gross negligence in the practice of physical therapy as a physical therapist;

(h) treating human ailments by physical therapy treatment after an initial 30-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.10, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05 and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of medical examiners rule;

(i) treating human ailments without referral by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;

(j) failure to consult with the patient's health care provider who prescribed the physical therapy treatment if the treatment is altered by the physical therapist from the original written order. The provision does not include written orders specifying orders to "evaluate and treat";

(k) treating human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state;

(j) (l) inappropriate delegation to a physical therapist assistant or inappropriate task assignment to an aide or inadequate supervision of either level of supportive personnel;

(k) (m) treating human ailments other than by performing physical therapy procedures unless duly licensed or registered to do so under the laws of this state;

(l) (n) practicing as a physical therapist performing medical diagnosis, the practice of medicine as defined in section 147.10, or the practice of chiropractic as defined in section 148.01;

(m) (o) failure to comply with a reasonable request to obtain appropriate clearance for mental or physical conditions which would interfere with the ability to practice physical therapy, and which may be potentially harmful to patients; and

(n) (p) dividing fees with, or paying or promising to pay a commission or part of the fee to, any person who contacts the physical therapist for consultation or sends patients to the physical therapist for treatment;

(q) engaging in an incentive payment arrangement, other than that prohibited by clause (p), that tends to promote physical therapy over-utilization, whereby the referring person or person who controls the availability of physical therapy services to a client profits unreasonably as a result of patient treatment;

(r) practicing physical therapy and failing to refer to a licensed health care professional any patient whose medical condition at the time of evaluation has been determined by the physical therapist to be beyond the scope of practice of a physical therapist; and

(s) failure to report to the board other registered physical therapists who violate this section.

A certificate of registration to practice as a physical therapist is suspended if (1) a guardian of the person of the physical therapist is appointed by order of a probate court pursuant to sections 525.54 to 525.612, for reasons other than the minority of the physical therapist; or (2) the physical therapist is committed by order of a probate court pursuant to 253B or sections 526.09 to 526.11. The certificate of registration remains suspended until the physical therapist is restored to capacity by a court and, upon petition by the physical therapist, the suspension is terminated by the board of medical examiners after a hearing.

Sec. 5. Minnesota Statutes 1986, section 148.76, subdivision 2, is amended to read:

Subd. 2. No physical therapist shall:

(a) treat human ailments by physical therapy treatment after an initial 30-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.10, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05 and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of medical examiners rule;

(b) treat human ailments by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;

(c) utilize any chiropractic manipulative technique whose end is the chiropractic adjustment of an abnormal articulation of the body; and

(d) treat human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state."

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating continuing education for physical therapists; specifying the amounts of certain fees; specifying certain grounds for disciplinary action; prohibiting certain business relationships in the practice of physical therapy; regulating physical therapy treatment without referral by a physician; amending Minnesota Statutes 1986, sections 148.70; 148.73; 148.74; 148.75; and 148.76, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1164, A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] “Occupational disease” means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment. If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff’s department of any county, which examination and report negatived any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1, firefighter, paramedic, emergency medical technician, or licensed nurse, and contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital to an individual diagnosed as having the infection or communicable disease, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment

and the presumption may be rebutted by substantial factors brought by the employer or insurer."

Delete the title and insert:

"A bill for an act relating to workers' compensation; defining "occupational disease" as including certain diseases received in providing emergency medical care; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 1403, A bill for an act relating to firefighters; requiring payment of death, disability, and survivor benefits to firefighters suffering from occupationally related cancer.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] (a) "Occupational disease" means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an

employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff's department of any county, which examination and report negatived any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 1821, A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for

the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [237.49] [COMBINED LOCAL ACCESS SURCHARGE.]

Each local telephone company shall collect from each subscriber an amount or amounts representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the department of administration in the manner prescribed in section 403.11. The department of administration shall divide the amounts received proportional to the individual surcharges, deposit them in the appropriate accounts, and administer payments from the accounts authorized by sections 237.69 to 237.71, and 403.01 to 403.12.

Sec. 2. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 3a. [DISABLED.] "Disabled" has the meaning given it in section 363.01, subdivision 25.

Sec. 3. Minnesota Statutes 1987 Supplement, section 237.69, subdivision 6, is amended to read:

Subd. 6. [FEDERAL MATCHING PLAN.] "Federal matching plan" means the any telephone assistance plan formulated by the Federal Communications Commission that provides federal assistance to local telephone subscribers.

Sec. 4. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 6a. [FUND.] "Fund" means the telephone assistance fund established in section 9.

Sec. 5. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 3, is amended to read:

Subd. 3. [FEDERAL MATCHING PLAN.] The telephone assistance plan must contain adequate provisions to enable telephone companies to qualify for assistance under waiver of the federal interstate access charge and to enable eligible subscribers to take advantage of the federal matching plan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 237.70, is amended by adding a subdivision to read:

Subd. 4a. [HOUSEHOLDS ELIGIBLE FOR CREDITS.] The telephone assistance plan must provide telephone assistance credit for a residential household in Minnesota that meets each of the following criteria:

(1) has a household member who:

(i) subscribes to local exchange service; and

(ii) is either disabled or 65 years of age or older;

(2) whose household income is 150 percent or less of federal poverty guidelines or is currently eligible for:

(i) aid to families with dependent children;

(ii) medical assistance;

(iii) general assistance;

(iv) Minnesota supplemental aid;

(v) food stamps;

(vi) refugee cash assistance or refugee medical assistance;

(vii) energy assistance; or

(viii) supplemental security income; and

(3) who has been certified as eligible for telephone assistance plan credits.

Sec. 7. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each

telephone company in the state. The revenue generated by the surcharge must not exceed \$2,500,000 on a statewide basis. This statewide \$2,500,000 limitation must be apportioned between telephone companies based on their relative number of access lines.

Sec. 8. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The telephone assistance plan must be administered jointly by the commission, the department of human services, the department of administration, and the telephone companies in accordance with the following guidelines:

(a) The commission and the department of human services shall develop eligibility certification forms an application form that must be completed at least annually by the subscriber residing in a household for the purposes purpose of certifying eligibility for telephone assistance plan credits to the telephone companies. Each telephone company shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS, AND YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT

(b) The department of human services, through its various offices and agencies, shall determine the eligibility for telephone assistance plan credits on an annual basis at least annually according to the criteria contained in subdivision 4, based upon consideration of documentation made available to the department of human services by the subscriber, and shall provide the necessary certification forms to eligible households for provision by the households to the telephone company 4a.

(c) The Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of an eligibility certification application form and shall continue to provide credits for 12 months after, unless notified that eligibility has terminated earlier the subscriber is ineligible. At the end of every 12-month period, telephone assistance plan credits cease unless the telephone company has been provided with a new eligibility certification form. The company shall cease granting credits at the earliest possible billing cycle when notified by the department of human services that the subscriber is ineligible.

(d) The commission shall serve as the administrator coordinator of a statewide surcharge revenue pool the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the administrator coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area;

(3) require each telephone company to account to the commission and the department of administration on a periodic basis for surcharge revenues collected by the company, expenses incurred by the company, not to include expenses of collecting surcharges, and credits extended by the company under the telephone assistance plan;

(4) require each telephone company to remit excess surcharge revenues to the commission department of administration for administration as part of the pool, deposit in the fund; and

(5) authorize the department of administration to remit to each telephone company from the surcharge revenue pool the amount necessary to compensate the company for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits that are not covered by the surcharge revenue collected by the company. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each telephone company shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission, the department of administration, and the department of public service with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The department of public service shall investigate complaints against telephone companies with regard to the telephone assis-

tance plan and shall report the results of its investigation to the commission.

(g) The department of administration shall collect the surcharges and administer the fund pursuant to sections 1 and 8.

Sec. 9. [237.701] [TELEPHONE ASSISTANCE FUND; APPROPRIATION.]

Subdivision 1. [TELEPHONE ASSISTANCE FUND.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services from January 1, 1988, to June 30, 1989, to implement sections 237.69 to 237.71 not to exceed \$90,000;

(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and

(4) reimbursement of the administrative expenses of the department of administration not to exceed \$10,000 annually.

Subd. 2. [APPROPRIATION.] Money in the fund is appropriated to the department of administration to be disbursed on authorization of the commission under section 237.70, subdivision 7.

Sec. 10. Laws 1987, chapter 340, section 17, is amended to read:

Sec. 17. [LEGISLATIVE REPORT.]

By January 1, 1989, the commission shall submit a report to the legislature with regard to the implementation, administration, and effectiveness of the telephone assistance plan and shall make any recommendations the commission believes are appropriate with regard to eligibility, funding, and administration of the telephone assistance plan for changes in the plan.

Sec. 11. [237.711] [RULES.]

The commission may adopt emergency and permanent rules to implement sections 2 to 10.

Sec. 12. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 237.70, subdivision 4, and 237.72, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge at the option of each company; requiring the department of administration to separate the surcharges into three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 6, 7, and by adding a subdivision; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, sections 237.70, subdivision 4, and 237.72."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 1890, A bill for an act relating to health; requiring a review organization to report certain information to the board of medical examiners; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota Statutes 1986, sections 145.64; 147.02, subdivision 6; 147.091, subdivision 1; 148.71; 214.10, subdivision 8; and 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 1986, section 147.02, is amended by adding a subdivision to read:

Subd. 6a. [EXCEPTION TO PUBLICATION REQUIREMENT.] The publication requirement does not apply to disciplinary measures by the board which are based exclusively upon grounds listed in section 147.091, subdivision 1, clause (l) or (r).

Sec. 2. Minnesota Statutes 1986, section 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which 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; (2) conduct which 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 (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which 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 thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician 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 that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, 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.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate. Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

Sec. 3. Minnesota Statutes 1986, section 147.111, subdivision 2, is amended to read:

Subd. 2. [INSTITUTIONS.] Any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the board any action taken by the institution or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a physician's privilege to practice or treat patients in the institution, or as part of the organization, any denial of privileges, or any other disciplinary action. The institution or organization shall also report the resignation of any physicians prior to the conclusion of any disciplinary proceeding, or prior to the commencement of formal charges but after the physician had knowledge that formal charges were contemplated or in preparation. Each report made under this subdivision must state the nature of the action taken, state in detail the reasons for the action, and identify the specific patient medical records upon which the action was based. No report shall be required of a physician voluntarily limiting the practice of the physician at a hospital provided that the physician notifies all hospitals at which the physician has privileges of the voluntary limitation and the reasons for it.

Sec. 4. Minnesota Statutes 1986, section 148.71, is amended to read:

148.71 [REGISTRATION.]

Subdivision 1. [QUALIFIED APPLICANT.] The state board of medical examiners shall register as a physical therapist and shall furnish a certificate of registration to each applicant who successfully passes an examination provided for in sections 148.65 to 148.78 for registration as a physical therapist and who is otherwise qualified as required herein.

Subd. 2. [TEMPORARY PERMIT.] The board may, upon payment

of a fee set by the board, issue a temporary permit to practice physical therapy under supervision to a physical therapist who is a graduate of an approved school of physical therapy and qualified for admission to examination for registration as a physical therapist. A temporary permit to practice physical therapy under supervision may be issued only once and cannot be renewed. It expires 90 days after the next examination for registration given by the board or on the date on which the board, after examination of the applicant, grants or denies the applicant a registration to practice, whichever occurs first. A temporary permit expires on the first day the board begins its next examination for registration after the permit is issued if the holder does not submit to examination on that date. The holder of a temporary permit to practice physical therapy under supervision may practice physical therapy as defined in section 148.65 if the entire practice is under the supervision of a person holding a valid registration to practice physical therapy in this state. The supervision shall be direct, immediate, and on premises.

Sec. 5. Minnesota Statutes 1986, section 214.10, subdivision 8, is amended to read:

Subd. 8. [SPECIAL REQUIREMENTS FOR HEALTH-RELATED LICENSING BOARDS.] In addition to the provisions of this section that apply to all examining and licensing boards, the requirements in this subdivision apply to all health-related licensing boards, except the board of veterinary medicine.

(a) If the executive director or consulted board member determines that a communication received alleges a violation of statute or rule that involves sexual contact with a patient or client, the communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication. If, after an investigation it is the opinion of the executive director or consulted board member that there is sufficient evidence to justify disciplinary action, the board shall conduct a disciplinary conference or hearing. If, after a hearing or disciplinary conference the board determines that misconduct involving sexual contact with a patient or client occurred, the board shall take disciplinary action. Notwithstanding subdivision 2, a board may not attempt to correct improper activities or redress grievances through education, conciliation, and persuasion, unless in the opinion of the executive director or consulted board member there is insufficient evidence to justify disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing if the stipulation provides for disciplinary action.

(b) In addition to the information required under section 214.07, subdivision 1, each board shall include in its reports to the legislature summaries of each individual case that involved possible sexual contact with a patient or client. The summary must include a description of the alleged misconduct; the general results of the

investigation; the nature of board activities relating to that case; the disposition of the case; and the reasons for board decisions concerning the disposition of the case. The information disclosed under this section must not include the name or specific identifying information about any person, agency, or organization.

(c) A board member who has a direct current or former financial connection or professional relationship to a person who is the subject of board disciplinary activities must not participate in board activities relating to that case.

(d) Each health-related licensing board shall establish procedures for exchanging information with other Minnesota state boards, agencies, and departments responsible for licensing health-related occupations, facilities, and programs, and for coordinating investigations involving matters within the jurisdiction of more than one licensing body. The procedures must provide for the forwarding to other licensing bodies of all information and evidence, including the results of investigations, that are relevant to matters within that licensing body's regulatory jurisdiction. Each health-related licensing board shall have access to any data of the department of human services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under sections 13.01 to 13.88, the Minnesota government data practices act, in the hands of the agency receiving the data as it had in the hands of the department of human services.

(e) Each health-related licensing board shall establish procedures for exchanging information with other states regarding disciplinary actions against licensees. The procedures must provide for the collection of information from other states about disciplinary actions taken against persons who are licensed to practice in Minnesota or who have applied to be licensed in this state and the dissemination of information to other states regarding disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting the dissemination of data, the board may, in its discretion, disseminate data to other states regardless of its classification under chapter 13. Before transferring any data that is not public, the board shall obtain reasonable assurances from the receiving state that the data will not be made public.

Sec. 6. [REPEALER.]

Section 1 is repealed effective August 1, 1990.

Delete the title and insert:

"A bill for an act relating to health; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota

Statutes 1986, sections 147.02, by adding a subdivision; 147.091, subdivision 1; 147.111, subdivision 2; 148.71; and 214.10, subdivision 8.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1953, A bill for an act relating to the metropolitan area; authorizing coordinated erosion and sediment control programs by water management organizations and the Association of Metropolitan Soil and Water Conservation Districts.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that the lands and waters of Ramsey county are great natural resources; that as a result of erosion of lands and sediment deposition in waters of the region, waters are being polluted and despoiled to a degree that fish, aquatic life, recreation, and other uses of lands and waters are being adversely affected; that the rapid shift in land use from agricultural to nonagricultural uses has accelerated the processes of soil erosion and sedimentation. Implementation of the metropolitan surface water planning act in Ramsey county requires a coordinated effort in that county, and the state of Minnesota may benefit from a pilot program within that county. The legislature further finds it is necessary to establish and implement through the soil and water conservation district in cooperation with water management organizations, cities, towns, and other public and private entities in that county, a county-wide coordinated erosion and sediment control pilot program to conserve and to protect the land, water, and other natural resources of Ramsey county.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [CONSERVATION SPECIFICATIONS.] “Conservation specifications” means the management procedures, techniques, and methods to control soil erosion and sedimentation as officially adopted by the district board.

Subd. 3. [DISTRICT.] "District" means the soil and water conservation district operating under Minnesota Statutes, chapter 40.

Subd. 4. [DISTRICT PROGRAM.] "District program" means the erosion and sediment control program adopted by the district consisting of conservation specifications to minimize erosion and sedimentation and a model ordinance for adoption by the district.

Subd. 5. [LAND DISTURBANCE ACTIVITY.] "Land disturbance activity" means land change that may result in soil erosion from water or wind and the movement of sediments into or upon waters or lands of Ramsey county, including clearing, grading, excavating, transporting, and filling of land. Land disturbance activity does not mean:

(1) minor land disturbance activities such as home gardens and individual home landscaping, repairs, and maintenance work;

(2) construction, installation, maintenance of electric and telephone utility lines or individual service connection to the utility lines;

(3) septic tank lines or drainage fields unless included in an overall plan for a land disturbance activity relating to construction of a building to be served by the septic tank system;

(4) tilling, planting, or harvesting of agricultural, horticultural, or silvicultural crops;

(5) preparation for single-family residences separately built, unless in conjunction with multiple construction in subdivision development;

(6) disturbed land areas for commercial or noncommercial uses of less than 10,000 square feet in size, except that the governing body of the statutory or home rule charter city, town, or organization may reduce this exception to a smaller area of disturbed land or qualify the conditions under which this exception applies;

(7) installation of fence, sign, telephone, and electric poles and other kinds of posts or poles; and

(8) emergency work to protect life, limb, or property and emergency repairs, except if the land disturbing activity would have required an approved erosion and sediment control plan except for the emergency, then the land area disturbed shall be shaped and stabilized in accordance with the requirement of the local plan-approving authority or the district when applicable.

Subd. 6. [ORGANIZATION.] "Organization" means a watershed

district established under Minnesota Statutes, chapter 112, or a joint powers entity under Minnesota Statutes, section 471.59, within Ramsey county that has the characteristics and the authority specified in Minnesota Statutes, section 473.877, and has more than 25 percent of its area within Ramsey county. Lake improvement or conservation districts are not watershed management organizations.

Subd. 7. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAM.] "Organization soil erosion and sediment control program" means the soil erosion and sediment control program of the organization. The program must set forth the elements or methods to be employed by a watershed management organization to regulate land disturbance activities to minimize erosion and sedimentation in compliance with the program.

Sec. 3. [EROSION AND SEDIMENT CONTROL PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The district shall develop a pilot program that contains a model ordinance and conservation specifications for the effective control of soil erosion and sediment deposition that must be met in an organization soil erosion and sediment control program. To assist in the development of the pilot program, the district shall seek the advice of appropriate state and federal agencies, local units of government, and representatives of interests such as residential development and nonresidential development.

Subd. 2. [PROGRAM CONTENTS.] The district pilot program shall contain:

(1) relevant physical and developmental information concerning the region, including data relating to land use, soils, hydrology, geology, size of land area being disturbed, proximate water bodies and their characteristics, transportation, and public facilities and services;

(2) a model ordinance;

(3) principles for protecting existing vegetation, adequate revegetation schedules, and run-off control measures; and

(4) conservation specifications and alternative methods for the control of erosion and sediment resulting from land disturbance activities.

Subd. 3. [PROGRAM IMPLEMENTATION.] To implement the district pilot program, the district shall develop and adopt by January 1989 a model ordinance and conservation specifications for soil erosion and sediment control. The district may revise its pilot

program as necessary. The district shall give due notice and conduct at least one public hearing on the proposed pilot program before addition or revision.

Subd. 4. [INSPECTION OF PROGRAM.] The program shall be made available for public inspection at the office of the district.

Sec. 4. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAMS.]

Subdivision 1. [ADOPTION.] Each organization in the district must, within nine months after the adoption of the district program, develop and adopt an organization soil erosion and sediment control program consistent with the district program. Upon written request of an organization, the district shall assist in the preparation of the organization program. The organization shall adopt an organization soil erosion and sediment control program as approved by the district.

Subd. 2. [FAILURE TO ADOPT AN ORGANIZATION PROGRAM.] If an organization fails to adopt an organization soil erosion and sediment control program within the required period, the board of water and soil resources may not approve the watershed plan prepared under Minnesota Statutes, chapter 473. For currently approved plans, an amendment shall be submitted to the board of water and soil resources within one year for approval. If the amendment is not submitted, plan approval must be withdrawn.

Subd. 3. [HEARING REQUIREMENT.] (a) Notwithstanding any other provision of sections 1 to 4, organizations that have adopted local erosion and sediment control programs are not required to conduct public hearings to amend their local programs to conform with the district program except as provided in paragraph (b).

(b) Organizations that choose to adopt conservation specifications or an ordinance that are more stringent than the district program must conduct a public hearing after due notice.

Sec. 5. [RULES.]

Any rules promulgated by the board of water and soil resources pursuant to statute shall supersede any plans, rules, or ordinances enacted pursuant to this section to the extent they may be in conflict.

Sec. 6. [APPLICABILITY.]

This act applies in Ramsey county and is effective upon approval by the Ramsey county board and soil and water conservation district as provided in Minnesota Statutes, section 645.02."

Delete the title and insert:

"A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 1960, A bill for an act relating to libraries; dedicating the Warren E. Burger Library chamber to the citizens of Minnesota; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 1960 was re-referred to the Committee on Rules and Legislative Administration.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2151, A bill for an act relating to retirement; state university and community college faculty; establishing a Minnesota individual retirement plan; proposing coding for new law as Minnesota Statutes, chapters 354B, and 356A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is employed as a teacher in the state university system or the state community college system after June 30, 1989, is not a member of the fund unless the person is covered by section 4, subdivision 2, and has exercised an option under that paragraph to remain a member of the fund.

Sec. 2. Minnesota Statutes 1986, section 354.50, subdivision 1, is amended to read:

Subdivision 1. When any a member accepts a refund provided in section 354.49 or when a member with less than five years of allowable service credit elects to transfer to the individual retirement account plan established by sections 3 to 8, all existing service credits to which the member was entitled prior to before the acceptance of such the refund shall or the transfer terminate and shall. For a member who accepted a refund, service credits may not again be restored until the former member acquires not less than two years allowable service credit subsequent to taking the last refund. In that event the former member may repay such the refund. If more than one refund has been taken, all refunds must be repaid.

Sec. 3. [354B.01] [DEFINITIONS.]

Subdivision 1. [PLAN.] "Plan" means the individual retirement account plan established by sections 3 to 8.

Subd. 2. [COVERED EMPLOYMENT, STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. [COVERED EMPLOYMENT, COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

Sec. 4. [354B.02] [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] The following persons shall participate in the plan:

(1) a person, other than a person covered by subdivision 2, who was first employed in covered employment after June 30, 1989; or

(2) a person who was first employed in covered employment before July 1, 1989, and who transferred retirement coverage to the plan under section 5.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with prior service as a member of the teachers retirement association other than in covered employment under section 3, subdivision 2 or 3, who is first employed in covered employment

after June 30, 1989, may, at the person's option remain a member of the teachers retirement association or participate in the plan.

Sec. 5. [354B.03] [COVERAGE TRANSFER.]

(a) A person with less than five years of allowable service credit who was first employed in covered employment before July 1, 1989, or a person covered by section 4, subdivision 2, may elect to transfer retirement coverage to the plan.

(b) If a person described in paragraph (a) elects a transfer, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at five percent a year. The transfer must be made within 90 days from the date that the executive director receives notification of the election. The employer contribution transfer may not include any amount representing an employer additional contribution, nor may it include any money representing the repayment of a refund received by the association after the date of enactment of this act.

(c) A person with more than five years of allowable service credit who was first employed in covered employment before July 1, 1989, may elect coverage by the plan. If coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the teachers retirement fund and that person shall remain eligible for a deferred annuity from that fund. The deferred annuity must be calculated as provided in section 354.55, subdivision 11, except that the rate of interest for augmentation must be five percent per year, compounded annually. Future contributions only shall be made to the plan.

(d) A transfer to the plan under this section is a transfer to the nonprofit corporation that will administer the account of the person electing the transfer, and must be made through the governing board of the system in which the person is employed in covered employment. No amount may be distributed to the person electing the transfer.

Sec. 6. [354B.04] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered employment shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer

contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 7. [354B.05] [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 3, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 3, subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with money transferred to the plan under section 5, contributions under section 6, or money or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF NONPROFIT CORPORATIONS.] The state university board and the community college board shall select nonprofit insurance and annuity corporations to provide annuity contracts or custodial accounts. Any nonprofit corporation selected shall be experienced in providing retirement plans to publicly supported institutions of higher education in at least 25 states. Investment programs offered by the corporation must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.

Sec. 8. [TRANSFER LIMITATION.]

The coverage transfer election authorized by section 5 may first be exercised on July 1, 1989, and must be exercised before June 30, 1991.

Sec. 9. Minnesota Statutes 1986, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan ~~which~~ that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan ~~which~~ that was established, maintained, and operated ~~prior to before~~ May 6, 1971, to any a plan which that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 3 to 8, or to any a plan which that provides solely for severance pay as authorized pursuant to by section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 ~~shall be,~~ is effective without prior legislative authorization.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to retirement; state university and community college faculty; establishing an individual retirement account plan; amending Minnesota Statutes 1986, sections 354.05, by adding a subdivision; 354.50, subdivision 1; and 356.24; proposing coding for new law as Minnesota Statutes, chapter 354B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2238, A bill for an act relating to agriculture; regulating veterinary drug distribution; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 156.

Reported the same back with the following amendments:

Page 1, line 13, delete "dispensing" and insert "administration"

Page 2, line 22, after "pharmacist" insert ", a person registered by the board of pharmacy to dispense, or another licensed veterinarian"

Page 3, line 12, delete everything after the period

Page 3, delete lines 13 to 16

Page 3, line 23, delete "an article" and insert "a substance"

Page 3, line 26, delete "an article" and insert "a substance"

Page 3, line 28, delete "an article" and insert "a substance"

Page 3, line 30, delete "an article" and insert "a substance"

Page 3, line 30, delete the second "an" and insert "a substance"

Page 3, line 31, delete "article"

Page 3, line 36, delete "the dispensing of" and insert "a person registered by the board of pharmacy or a licensed pharmacist to dispense"

Page 4, line 1, delete "or the extra-label use of a"

Page 4, line 2, delete "veterinary drug by"

Page 4, line 2, after the period insert "However,"

Page 4, line 2, delete "or other veterinary"

Page 4, line 3, delete "authorization"

Page 4, line 3, delete ", however,"

Page 4, line 4, delete "the veterinarian's" and insert "an"

Page 4, line 4, after "agent" insert "of the veterinarian"

Page 4, line 6, after the period insert:

"(b)"

Page 4, line 9, delete "(b)" and insert "(c)"

Page 4, line 16, delete "(c)" and insert "(d)"

Page 4, line 27, after the first comma insert "owner and"

Amend the title as follows:

Page 1, line 3, delete "imposing a penalty;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2245, A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by

adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivision 1, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

Reported the same back with the following amendments:

Page 2, line 34, delete "\$54,411,300" and insert "\$54,418,800" and delete "\$54,423,300" and insert "\$54,430,800"

Page 35, line 33, delete "12" and insert "14"

Page 43, after line 10, insert:

"Sec. 12. Minnesota Statutes 1987 Supplement, section 124.494, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM; BOND ISSUE.] Within 90 days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the bonds are authorized by the voters, the commissioner shall notify the county auditor of each county in which the joint powers district is located that the grant amount certified under subdivision 4 is available and appropriated for payment of principal and interest on the bonds issued under this subdivision, and the auditor shall reduce the joint powers district's debt service levies accordingly under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 13. Minnesota Statutes 1987 Supplement, section 124.494, subdivision 6, is amended to read:

Subd. 6. [CONTRACT.] Each grant must be evidenced by a contract between the joint powers board and the state acting through

the commissioner. It The contract obligates the state to pay to the joint powers board an amount computed according to subdivision 4, upon receipt by the commissioner of a certified resolution of the joint powers board verifying that contracts have been entered into for construction or remodeling of the facilities for which the grant is awarded and that bonds of the joint powers district have been issued and sold in the amount necessary to pay all project costs in excess of the amount of the grant, and estimating the costs and according to a schedule, and terms and conditions acceptable to the commissioner of finance."

Page 45, line 7, delete "TASK FORCE;"

Page 45, line 8, delete "GRANTS"

Page 46, after line 32, insert:

"Sec. 19. [RULEMAKING; TEACHER PREPARATION TIME.]

By March 1, 1989, the state board of education shall adopt a rule under Minnesota Statutes, chapter 14 establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In establishing any rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit preparation time to be scheduled at more than one time during the school day. The rule must be effective for the 1989-1990 school year. The state board shall establish a process and criteria for granting one year variances from the rule for districts that are unable to comply for the 1989-1990 school year.

Sec. 20. [BIENNIAL BUDGET PREPARATION.]

In preparing the 1989-1991 biennial budget according to Minnesota Statutes, section 121.14, the state board shall consider the cost to school districts of implementing the rule adopted according to section 19."

Page 48, line 11, delete "14" and insert "16"

Page 49, after line 2, insert:

"Subd. 6. For costs associated with the adopting of rules under chapter 14 for an elementary preparation rule, there is appropriated:

\$7,500 1989.

Subd. 7. [AIDS PREVENTION.] For AIDS prevention and risk reduction programs according to section 11, there is appropriated:

\$831,000 1989.

Of this amount \$701,000 is for aid to school districts, \$50,000 is for an independent evaluation; and \$80,000 is for leadership activities.

The department of education general fund complement is increased by 2.0 positions to administer the AIDS prevention and risk reduction program.

Subd. 8. [STAFF TRAINING AND DEVELOPMENT.] For training and professional development on health related issues according to section 5, there is appropriated:

\$418,000 1989."

Page 49, line 7, delete "17" and insert "21"

Renumber the sections in article 6 in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 13, after the semicolon insert "making technical corrections to the cooperative secondary facilities grant act;"

Page 1, line 45, after the second semicolon insert "124.494, subdivisions 5 and 6;"

With the recommendation that when so amended the bill pass:

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 2306, A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 6. [PROPERTY.] The authority may acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise, any real or personal property.

Sec. 2. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 7. [IN GENERAL.] The authority has all the powers necessary and convenient to carry out its duties under sections 3 to 13.

Sec. 3. Minnesota Statutes 1987 Supplement, section 446A.05, subdivision 1, is amended to read:

Subdivision 1. [LOANS AND LOAN PURCHASES.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire or may acquire or contract to acquire notes and bonds issued by governmental units to finance those projects. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan made by the authority must be secured by notes or bonds of the borrowing governmental unit.

Sec. 4. [446A.051] [PROJECT FINANCIAL ASSISTANCE.]

The authority shall assist eligible governmental units in determining what grants or loans under sections 446A.06 and 446A.07 to apply for to finance projects and the manner in which the governmental unit will pay for its portion of the project cost. The authority shall review the proposed financing for each project certified by the agency to ascertain whether or not: (1) total financing of a project is assured; and (2) the governmental unit's financial plan to pay for its portion of the project cost is feasible.

Sec. 5. [446A.12] [ISSUANCE OF BONDS.]

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the authority

may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$100,000,000.

Subd. 2. [REFUNDING OF BONDS.] The authority may issue bonds to refund outstanding bonds of the authority, to pay any redemption premiums on those bonds, and to pay interest accrued or to accrue to the redemption date next succeeding the date of delivery of the refunding bonds. The authority may apply the proceeds of any refunding bonds to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of outstanding bonds on the redemption date next succeeding the date of delivery of the refunding bonds and may, pending the application, place the proceeds in escrow to be applied to the purchase, retirement, or redemption. Pending use, escrowed proceeds may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality of the state or the United States, or in certificates of deposit or time deposits secured in a manner determined by the authority, maturing at a time appropriate to assure the prompt payment of the principal and interest and redemption premiums, if any, on the bonds to be refunded. The income realized on any 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 the proceeds and any investment income may be returned to the authority for use by it in any lawful manner. All refunding bonds issued under this subdivision must be issued and secured in the manner provided by resolution of the authority.

Subd. 3. [KIND OF BONDS.] Bonds issued under this section must be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration. The bonds issued may be either general obligations of the authority, secured by its full faith and credit and payable out of any money, assets, or revenues of the authority, subject to the provisions of resolutions or indenture pledging and appropriating particular money, assets, or revenues to particular bonds, or limited obligations of the authority not secured by its full faith and credit and payable solely from specified sources or assets.

Subd. 4. [RESOLUTION AND TERMS OF SALE.] The bonds of the authority must be authorized by a resolution or resolutions adopted by the authority. The bonds must bear the date or dates, mature at the time or times, bear interest at a fixed or variable rate, including a rate varying periodically at the time or times and on the terms determined by the authority, or any combination of fixed and variable rates, be in the denominations, be in the form, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States, at the place or places within or without the state, and be subject to the terms of redemption or

purchase before maturity as the resolutions or certificates provide. If, for any reason existing at the date of issue of the bonds or existing at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on the bonds is or becomes subject to federal income taxation, this fact does not affect the validity or the provisions made for the security of the bonds. The authority may make covenants and take or have taken actions that 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 authority may refrain from compliance with those 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 authority. The maximum maturity of a bond, whether or not issued for the purpose of refunding, must be 30 years from its date. The bonds of the authority may be sold at public or private sale, at a price or prices determined by the authority; provided that (i) the aggregate price at which an issue of bonds is initially offered by underwriters to investors, as stated in the authority's official statement with respect to the offering, must not exceed by more than three percent the aggregate price paid by the underwriters to the authority at the time of delivery; (ii) the commission paid by the authority to an underwriter for placing an issue of bonds with investors must not exceed three percent of the aggregate price at which the issue is offered to investors as stated in the authority's offering statement; and (iii) the spread or commission must be an amount determined by the authority 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. 6. [446A.13] [TENDER OPTION.]

An obligation may be issued giving its owner the right to tender or the authority to demand tender of the obligation to the authority or another person designated by it, for purchase at a specified time or times, if the authority has first entered into an agreement with a suitable financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered. The obligation is not considered to mature on any tender date and the purchase of a tendered obligation is not considered a payment or discharge of the obligation by the authority. Obligations tendered for purchase may be remarketed by or on behalf of the authority or another purchaser. The authority may enter into agreements it considers appropriate to provide for the purchase and remarketing of tendered obligations, including:

(1) provisions under which undelivered obligations may be considered tendered for purchase and new obligations may be substituted for them;

(2) provisions for the payment of charges of tender agents,

remarketing agents, and financial institutions extending lines of credit or letters of credit assuring repurchase; and

(3) provisions for reimbursement of advances under letters of credit that may be paid from the proceeds of the obligations or from tax and other revenues appropriated for the payment and security of the obligations and similar or related provisions.

Sec. 7. [446A.14] [INTEREST EXCHANGES.]

The authority may enter into an agreement with a third party for an exchange of interest rates under this subdivision. With respect to outstanding obligations bearing interest at a variable rate, the authority may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a variable rate determined according to a formula set out in the agreement. With respect to outstanding obligations bearing interest at a fixed rate or rates, the authority may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a fixed rate or rates set out in the agreement. Subject to any applicable bonds covenants, payments required to be made by the municipality under the swap agreement may be made from amounts secured to pay debt service on the obligations with respect to which the swap agreement was made from any other available source of the authority.

Sec. 8. [446A.15] [BOND FUND.]

Subdivision 1. [CREATION AND CONTENTS.] The authority may establish a special fund or funds for the security of one or more or all series of its bonds. The funds must be known as debt service reserve funds. The authority may pay into each debt service reserve fund:

(1) any money appropriated by the state only for the purposes of the fund;

(2) the proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing the issuance of them;

(3) funds directed to be transferred by the authority to the debt service reserve fund; and

(4) other money made available to the authority from any other source only for the purpose of the fund.

Subd. 2. [USE OF FUNDS.] Except as provided in this section, the money credited to each debt service reserve fund must be used only for the payment of the principal of bonds of the authority as they mature, the purchase of the bonds, the payment of interest on them, or the payment of any premium required when the bonds are redeemed before maturity. Money in a debt service reserve fund must not be withdrawn at a time and in an amount that reduces the amount of the fund to less than the amount the authority determines to be reasonably necessary for the purposes of the fund. However, money may be withdrawn to pay principal or interest due on bonds secured by the fund if other money of the authority is not available.

Subd. 3. [INVESTMENT.] Money in a debt service reserve fund not required for immediate use may be invested in accordance with section 446A.11, subdivision 9, paragraph (b).

Subd. 4. [MINIMUM AMOUNT OF RESERVE AT ISSUANCE.] If the authority establishes a debt service reserve fund for the security of any series of bonds, it shall not issue additional bonds that are similarly secured if the amount of any of the debt service reserve funds at the time of issuance does not equal or exceed the minimum amount required by the resolution creating the fund, unless the authority deposits in each fund at the time of issuance, from the proceeds of the bonds, or otherwise, an amount that when added together with the amount then in the fund will be at least the minimum amount required.

Subd. 5. [TRANSFER OF EXCESS.] To the extent consistent with the resolutions and indentures securing outstanding bonds, the authority may at the close of a fiscal year transfer to any other fund or account from any debt service reserve fund any excess in that reserve fund over the amount determined by the authority to be reasonably necessary for the purpose of the reserve fund.

Subd. 6. [CERTIFICATION AND BUDGET REQUEST.] To assure the payment of the principal of and interest on bonds of the authority and the continued maintenance of all debt service reserve funds created and established for that payment, the authority shall annually determine and certify to the governor, on or before December 1, the following amounts:

(1) the amount then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, but not exceeding the maximum amount of principal and interest to become due and payable in any later year on all bonds that are then outstanding and secured by the fund; and

(2) the amount determined by the authority to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed.

The governor shall include in the proposed biennial budget for the following fiscal year, or in a supplemental budget if the biennial budget has previously been approved, the amounts certified by the authority in accordance with this subdivision.

Sec. 9. [446A.16] [MONEY OF THE AUTHORITY.]

Subdivision 1. [FUNCTIONS OF STATE TREASURER.] Except as otherwise provided in this section, money of the authority must be paid to the state treasurer as agent of the authority and the treasurer shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of finance on requisition of the chair of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the state treasurer or the authority, be 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 security for the deposits.

Subd. 2. [CONTRACTS AND SECURITY.] Notwithstanding the provisions of this section, the authority may, with the approval of the state treasurer, contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of money of the authority or money held in trust or otherwise for the payment of bonds, and to carry out the contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for the deposits. All money paid to the state treasurer as agent of the authority is appropriated to the authority.

Subd. 3. [SYSTEM OF ACCOUNTS.] Subject to agreements with bondholders, the commissioner of finance shall prescribe a system of accounts.

Sec. 10. [446A.17] [NONLIABILITY.]

Subdivision 1. [NONLIABILITY OF INDIVIDUALS.] No member of the authority or other person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance.

Subd. 2. [NONLIABILITY OF STATE.] The state is not liable on bonds of the authority issued under this chapter and those bonds are not a debt of the state. The bonds must contain on their face a statement to that effect.

Sec. 11. [446A.18] [PURCHASE AND CANCELLATION BY AUTHORITY.]

Subject to agreements with bondholders that may then exist, the authority may purchase out of funds available for the purpose, bonds of the authority which shall then be canceled, at a price not exceeding the following amounts:

(1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date of the bonds; or

(2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 12. [446A.19] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of bonds issued under sections 4 to 13 that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the bondholders or in any way impair the rights and remedies of the holders until the bonds, together with 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 the bondholders, are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 4 to 13.

Sec. 13. [446A.20] [RESERVES; FUNDS; ACCOUNTS.]

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete everything after "amending"

Page 1, line 7, delete "subdivision 1;"

Page 1, line 8, delete "446A.03, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2362, A bill for an act relating to veterans; providing for state veterans' cemeteries; requiring land donated to state for use as veterans' cemetery in Morrison county to be returned to donors if not used as veterans' cemetery; amending Minnesota Statutes 1986, section 197.235.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$15,000 is appropriated from the general fund to the commissioner of veterans affairs to study the anticipated cost of site development and ongoing operational costs of an additional state veterans' cemetery. The feasibility of utilizing Minnesota granite wherever possible shall also be included in the study.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to veterans; providing an appropriation to study the feasibility of an additional state veterans' cemetery."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2400, A bill for an act relating to Gillette children's hospital; authorizing the hospital board to affiliate with Minneapolis children's medical center and its parent corporation; authorizing the delegation of powers and functions to the parent corporation;

amending Minnesota Statutes, 1986, section 250.05, subdivisions 1, 3, 3a, 4, 5, and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 3, the following terms have the meanings given them in this section.

Subd. 2. [BOARD.] “Board” means the Gillette children’s hospital board established by Minnesota Statutes, section 250.05, subdivision 1.

Subd. 3. [NONPROFIT CORPORATION.] “Nonprofit corporation” means the entity formed in accordance with section 2, subdivision 1.

Sec. 2. [INCORPORATION AS NONPROFIT CORPORATION.]

Subdivision 1. [INCORPORATION.] The board may incorporate as a nonprofit corporation under Minnesota Statutes, chapter 317. Upon incorporating in accordance with this subdivision, the resulting nonprofit corporation ceases to be a public corporation in the executive branch of state government.

Subd. 2. [EMPLOYEES.] (a) Employees of the nonprofit corporation are not state or other public employees. Coverage of board employees under the Minnesota state retirement system ceases, for purposes of future services, at the time of incorporation under subdivision 1.

(b) A person who on the day immediately preceding incorporation under subdivision 1 is an employee of the board and a member of the Minnesota state retirement system is entitled to disability benefits or to a retirement annuity, whichever is applicable, notwithstanding any years of allowable service requirements in Minnesota Statutes, chapter 352 or 356, upon meeting other requirements for these benefits or annuities. For a person with less than five years of allowable service, the benefit or annuity shall be calculated based on the average salary for the person’s entire period of allowable service.

(c) Notwithstanding any law to the contrary, for an employee covered by this subdivision who elects to leave accumulated contributions in the Minnesota state retirement system and be entitled to a deferred retirement annuity, the deferred annuity must be calculated as provided in Minnesota Statutes, section 352.72, subdivision

2, except that the rate of interest for augmentation must be five percent per year, compounded annually.

Subd. 3. [PROPERTY.] Personal property of the board other than fixtures becomes property of the nonprofit corporation upon incorporation in accordance with subdivision 1. The board's interest in the buildings constituting St. Paul Ramsey hospital under the agreement among the board, the city of St. Paul, and Ramsey county made on February 19, 1975, is transferred upon incorporation to the city and the county in proportion to their current interests.

Subd. 4. [LEASEHOLD INTEREST.] Notwithstanding subdivision 3, the city of St. Paul and Ramsey county shall grant the nonprofit corporation a leasehold interest in the areas of buildings owned by the board under article 2 of the February 19, 1975, agreement. Except as otherwise provided in this act or agreed to by the nonprofit corporation, the city, and the county, the terms of the lease must be no less favorable to the nonprofit corporation than the terms of the board's occupancy. The lease must be for a term of 30 years, but is terminable by the nonprofit corporation if the nonprofit corporation vacates those areas entirely or partially, by the nonprofit corporation or the city and county if the nonprofit corporation ceases to provide services and training in medical and surgical care of children with handicaps or disabilities in the leased areas, or upon mutual agreement of the parties. Unless agreed to by the city and the county, the leasehold interest under this subdivision may be transferred by the nonprofit corporation only to a successor nonprofit corporation into which the nonprofit corporation may merge, of which it may become a subsidiary, or that may be formed by the nonprofit corporation and another nonprofit corporation. The leasehold interest may also be transferred to the city of St. Paul and Ramsey county without limitation as to use.

Sec. 3. [AFFILIATION.]

Along with the other powers of a nonprofit corporation, the nonprofit corporation may agree to affiliate with Minneapolis children's medical center or its parent corporation, Minneapolis Child-Care, to improve the coordination and efficiency of the two institutions in providing comprehensive health care to children. The nonprofit corporation may become subsidiary of, and delegate management powers and functions to, Minneapolis ChildCare.

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6, are repealed. Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective upon the filing of the articles of incorporation with the secretary of state effecting an incorporation under section 2, subdivision 1."

Delete the title and insert:

"A bill for an act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Governmental Operations to which was referred:

H. F. No. 2429, A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Sec. 2. [REPEALER.]

Section 1 is repealed August 1, 1989.

Sec. 3. [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.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2603, A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

Reported the same back with the following amendments:

Page 1, line 10, delete "legislative advisory commission" and insert "commissioner of agriculture"

Page 1, line 11, delete "to make a grant to an organization" and insert "for the Minnesota agriculture in the classroom program"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2605, A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Jaros from the Committee on Higher Education to which was referred:

H. F. No. 2625, A bill for an act relating to education; appropriating money to the higher education coordinating board, University of Minnesota, and state board of vocational technical education.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Subd. 2. [FOUR-YEAR ELIGIBILITY.] \$1,800,000 is appropriated for fiscal year 1989 from the general fund to the higher education coordinating board for the purpose of funding four full years of financial aid eligibility as provided in Minnesota Statutes, section 136A.121, subdivision 10."

Page 1, line 15, delete "2" and insert "3"

Page 1, line 19, delete "3" and insert "4"

Page 2, line 9, delete "4" and insert "5"

Page 2, line 17, delete "5" and insert "6"

Page 2, line 23, delete "6" and insert "7"

Pages 2 and 3, delete section 2 and insert:

"Sec. 2. [APPROPRIATIONS; POST-SECONDARY SYSTEMS.]

\$13,500,000 is appropriated for fiscal year 1989 from the general fund to the University of Minnesota, state university system, community college system, and technical institutes to fund, to the extent possible, the unfunded students."

Page 3, after line 21, insert:

"Sec. 4. [FUNDING FORMULA FOR HIGHER EDUCATION.]

A formula shall be developed to recognize increased enrollment and shall be implemented in the 1988-1989 academic year."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "post-secondary; requiring a formula for increased enrollment;"

Page 1, line 2, delete "to the" and insert "for post-secondary education."

Page 1, delete lines 3 to 5

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2625 was re-referred to the Committee on Rules and Legislative Administration.

Otis from the Committee on Economic Development and Housing to which was referred:

H. F. No. 2667, A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Reported the same back with the following amendments:

Page 1, line 13, after the period insert “At least two of the members appointed by the speaker and two of the members appointed by the majority leader must be from the minority caucus.”

Page 2, line 12, delete “January 1” and insert “January 15”

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2744, A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and loan officers and general mortgage brokers and individual mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 82B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 47.208, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY REQUIRED.] Upon written request, A good and valid satisfaction of mortgage in recordable form shall be delivered to any party paying the full and final balance of a mortgage indebtedness that is secured by Minnesota real estate; such delivery shall be in hand or by certified mail postmarked within 45 days of the receipt of the written request to the holder of any interest of record in said mortgage and within 45 days of the payment of all sums due thereon. Within 45 days of this payment, the lender must personally deliver the satisfaction of mortgage to this party or send it to the party by certified mail. If certified mail is used, the lender has complied with this subdivision if it is postmarked within the 45-day period.

Sec. 2. [57.01] [SHORT TITLE.]

This chapter may be cited as the mortgage banker and mortgage broker act.

Sec. 3. [57.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" has the meaning given the term in section 583.22.

Subd. 3. [BORROWER.] "Borrower" means a natural person who has submitted an application for a loan to a mortgage banker.

Subd. 4. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 6. [AGREEMENT OR INTEREST RATE OR DISCOUNT POINT AGREEMENT.] "Agreement" or "interest rate or discount point agreement" means a contract between a mortgage banker and a borrower under which the mortgage banker agrees, subject to the mortgage banker's underwriting and approval requirements, to make a loan at a specified interest rate or number of discount points, or both, and the borrower agrees to make a loan on those terms. The term also includes an offer by a mortgage banker that is accepted by a borrower under which the mortgage banker promises to guarantee or lock in an interest rate or number of discount points, or both, for a specific period of time.

Subd. 7. [GENERAL MORTGAGE BROKER.] "General mortgage broker" means a person who directly or indirectly brokers, places, assists in placement, or finds mortgage loans for others or offers to broker, place, assist in placement, or find mortgage loans for others.

Subd. 8. [INDIVIDUAL MORTGAGE BROKER.] "Individual mortgage broker" means one who acts on behalf of a general mortgage loan broker with respect to brokering, placing, assisting in placement, or finding mortgage loans for others or offering or attempting to broker, place, assist in placement, or find mortgage loans for others.

Subd. 9. [MORTGAGE BANKER.] "Mortgage banker" means a person making a mortgage loan.

Subd. 10. [LOAN OFFICER.] (a) "Loan officer" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or negotiating a mortgage loan with a borrower.

(b) The term includes (1) an officer or employee of a mortgage banker who is authorized to solicit or negotiate loans and who

regularly solicits or negotiates loans, and (2) a person who is responsible for the day to day management of a branch office or offices of a mortgage banker.

Subd. 11. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to individuals secured by a mortgage or other encumbrance upon real property containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed.

The term includes operating or real estate loans secured by agricultural property.

The term does not include a loan or advance of credit that is made primarily for a business or commercial purpose.

Subd. 12. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized.

Subd. 13. [PRINCIPAL STOCKHOLDER.] "Principal stockholder" means a person owning 20 percent or more of the outstanding stock of a general mortgage broker or mortgage banker.

Subd. 14. [REFERRAL FEE.] "Referral fee" means any thing of value including, but not limited to, a payment, advance, fund, loan, commission, gift, or similar consideration offered or received in return for the referral of a mortgage loan application or escrow account administration opportunity.

Sec. 4. [57.03] [LICENSE REQUIREMENT.]

Subdivision 1. [GENERALLY.] No person shall engage in business as a mortgage banker, loan officer, general mortgage broker, or individual mortgage broker, unless the person has first obtained a license under this chapter.

Subd. 2. [EXEMPTIONS.] The following persons are exempt from the licensing requirements of this chapter:

(1) a person whose primary responsibility is to process loan applications unless the person is authorized to solicit or negotiate loans;

(2) persons making or negotiating ten or fewer mortgage loans in a period of 12 consecutive months;

(3) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of

the United States that have offices in this state from which deposits are accepted pursuant to the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

(4) regulated lenders licensed under chapter 56, and industrial loan and thrift companies licensed under chapter 53;

(5) charitable corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(6) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;

(7) persons acting as fiduciaries with respect to an employee pension benefit plan qualified under the Internal Revenue Code who make mortgage loans solely to plan participants from plan assets;

(8) persons licensed by the state of Minnesota as real estate brokers or salespersons who, in the course of representing a purchaser or seller of real estate, incidentally assist the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration including a referral fee for this service;

(9) an attorney authorized to practice law in this state, who incidentally acts as a mortgage broker in negotiating or placing a first mortgage loan in the normal course of legal practice if the attorney does not receive a separate commission, fee, or other valuable consideration for the service including a referral fee;

(10) persons acting in a fiduciary capacity conferred by authority of a court;

(11) employees of a mortgage banker who only solicit refinance loans, through the mail or by use of the telephone, from mortgagors whose loans the mortgage banker is servicing at the time of the solicitation if the persons making the solicitations are not residents of this state, and if the solicitations originate from outside this state; and

(12) a person who only negotiates assumptions, work outs, or conversions of existing loans.

Sec. 5. [57.04] [APPLICATIONS FOR MORTGAGE BANKER AND GENERAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [FORM.] An application for a license under this

section must be made in writing, and on a form approved by the commissioner.

Subd. 2. [CONTENTS.] The application for a mortgage banker and general mortgage broker must set forth:

(1) the name and address of the applicant;

(2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;

(3) if the applicant is a corporation, the name and address of each officer, director, registered agent, and each principal stockholder;

(4) the addresses of all offices in Minnesota where business will be conducted by the applicant; and

(5) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, employees, and principal stockholders as the commissioner requires.

Subd. 3. [FINANCIAL RESPONSIBILITY FOR MORTGAGE BANKERS.] An applicant for a mortgage banker license shall:

(1) demonstrate evidence of approval or certification by the United States secretary of housing and urban development, other than as a loan correspondent mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association;

(2) certify to the commissioner a bond in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state of Minnesota as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee; provided, however, that the aggregate liability of the surety to all persons for all losses must in no event exceed the amount of the bond. The bond must remain operative for a period of time as long as the period for which the license is sought; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans, in an amount of not less than \$250,000 with: (i) a licensed mortgage banker; (ii) a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation; or (iii) a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit may be waived by the commissioner if all loans originated by the applicant are either: (i) closed in the name of a licensed mortgage banker or other financial institution or entity approved by the commissioner pursuant to an agreement between the mortgage banker or other financial institution and the applicant; or (ii) assigned, pursuant to an agreement, to a licensed mortgage banker or other financial institution or entity approved by the commissioner, simultaneous with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage banker or financial institution shall be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

Subd. 4. [EXPERIENCE.] An applicant for a mortgage banker license shall have at least one corporate officer with two years of mortgage origination experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

Sec. 6. [57.05] [APPLICATIONS FOR LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSE.]

The application for a loan officer and individual mortgage broker license must set forth: (1) the name and address of the applicant; and (2) other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

Sec. 7. [57.06] [FEES.]

An application must be accompanied by the payment of the following fees:

(1) \$150 for each mortgage banker and general mortgage broker license, and \$30 for each annual renewal;

(2) \$50 for each loan officer and individual mortgage broker license, and \$15 for each annual renewal;

(3) \$10 for each transfer;

(4) \$25 for a corporation or partnership name change;

(5) \$5 for a name change;

(6) \$10 for a license history; and

(7) \$5 for a duplicate license.

All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of a fee shall be refunded upon proper application.

Sec. 8. [57.07] [EXAMINATIONS.]

Subdivision 1. [LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER.] (a) An applicant for a loan officer and individual mortgage broker license must pass an examination conducted by the commissioner. The examination must be of sufficient scope to establish the competence of the applicant to act as a loan officer or individual mortgage broker.

(b) The examination shall be conducted by the commissioner two months after a testing service has been certified by the commissioner, but not later than October 1, 1989.

Subd. 2. [EXAMINATION FREQUENCY.] The commissioner shall not be required to hold examinations more frequently than once every 120 days. The examination may be held more frequently upon demand and as the commissioner considers reasonable.

Subd. 3. [INSTRUCTION; NEW LICENSES.] (a) An applicant for a loan officer and individual mortgage broker license shall be required to successfully complete a course of study in the mortgage banking field consisting of 45 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. A loan officer and individual mortgage broker shall, within one year of licensure, be required to successfully complete an additional course of study in the mortgage lending field consisting of 45 hours of instruction approved by the commissioner.

(b) A person applying for a loan officer or individual mortgage broker license on or before October 1, 1989, who was employed by a mortgage banker or general mortgage broker on or before February 1, 1988, in a capacity that would require a loan officer license or individual mortgage broker license, shall not be required to satisfy the educational requirements of paragraph (a). If the person applying for a license fails the examination, the person is unlicensed. The commissioner may allow the person to continue to conduct business for 60 days from the date of the examination. If during the 60-day period the person reapplies for a license and passes the examination, the person may be licensed upon payment of the license fee.

(c) The commissioner may approve courses of study offered in educational institutions of higher learning in this state, including degree programs, or courses of study developed by and offered under the auspices of national or state trade associations or private

schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company otherwise licensed by the commissioner.

(d) The commissioner may waive the educational requirements of paragraph (a) for a person applying for a loan officer or individual mortgage broker license who can demonstrate proficiency in mortgage banking.

Subd. 4. [CONTINUING EDUCATION.] (a) All loan officers and individual mortgage brokers shall be required to successfully complete 15 hours of education each renewal year, either as a student or a lecturer, in courses of study approved by the commissioner.

(b) A person applying for a loan officer or individual mortgage broker license who was not employed by a mortgage banker or general mortgage broker on or before February 1, 1988, is not required to satisfy the educational requirements of paragraph (a) until the second year after licensure.

Sec. 9. [57.08] [LICENSE DURATION; TRANSFER RESTRICTIONS.]

(a) Every license is issued annually under this chapter and expires on September 30 next following its issuance.

(b) A loan officer or individual mortgage broker shall be licensed to act on behalf of a licensed mortgage banker or general mortgage broker respectively and may not be licensed to act on behalf of more than one mortgage banker or general mortgage broker in this state during the same period of time.

The commissioner shall establish the procedure for the transfer of a mortgage banker or general mortgage broker license because of a merger or acquisition.

(c) When an individual mortgage broker or loan officer terminates activity on behalf of a general mortgage broker or mortgage banker in order to begin association immediately with another general mortgage broker or mortgage banker, the commissioner shall automatically transfer that person's license. The transfer is effective either upon the mailing of the required fee and the executed documents by mail or upon personal delivery of the fee and documents to the commissioner's office.

(d) A person who becomes unlicensed for reasons other than a revocation or suspension of a license may have the license reinstated without complying with the educational requirements of section 8, subdivision 3, if the person has been unlicensed for less than 24

months and reports 15 hours of continuing education credit for each year.

Sec. 10. [57.09] [RENEWALS.]

(a) Persons whose renewal applications have been properly and timely filed and who have not received notice of denial or a renewed license may continue to transact business whether or not the renewed license has been received on or before October 1. Application for renewal of a license is considered to have been timely filed if received by the commissioner, or mailed with proper postage and postmarked, by September 15 in each year. Applications for renewal are considered properly filed if made upon forms duly executed and containing information the commissioner requires.

(b) The commissioner may require a licensee to file an annual report with the commissioner that sets forth the information and is in the form the commissioner requires regarding the business conducted by the licensee during the preceding calendar year.

Sec. 11. [57.10] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

(a) Any person, whether or not licensed under this chapter, while making or brokering a loan or administering an escrow account shall maintain in its offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the person is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from other business in which the mortgage banker, general mortgage broker, or escrow administrator is involved.

(b) Any person, whether or not licensed under this chapter, while making a mortgage loan shall retain for at least two years after settlement on a mortgage loan, copies of the note, settlement statement, truth-in-lending disclosure, and other papers or records relating to the loan as may be required by rule. Any person, whether or not licensed under this chapter, while brokering a mortgage loan shall retain for at least two years after a mortgage loan is made the original contract for the individual mortgage broker's compensation, a copy of the settlement statement, and an account of fees received in connection with the loan, and other papers or records as may be required by rule.

Sec. 12. [57.12] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] No person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall:

(1) fill in or change the interest rate or number of discount points, or both, contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties;

(2) fail to reply within ten business days of receipt to all communications from a borrower about the borrower's loan that reasonably indicate that a response is requested or needed;

(3) if acting as a mortgage banker or loan officer, fail to require the person closing the mortgage loan to provide to the borrower prior to closing of the mortgage loan (i) a settlement statement, and (ii) a disclosure that conforms to that required by United States Code, title 15, section 1604, and Regulation Z, Code of Federal Regulations, title 12, part 226;

(4) in the conduct of affairs under the license, engage in deceptive, fraudulent, incompetent, or dishonest practices;

(5) charge an unreasonable fee;

(6) pay a referral fee;

(7) if directly or indirectly administering an escrow account:

(a) increase the amount of funds held in escrow by an amount that exceeds ten percent of the prior year's disbursements from the escrow account without having first provided the borrower with a written explanation specifically identifying the reasons for the increase;

(b) fail or cause a failure to make a payment for either or both insurance and taxes by the required due date. If the mortgage banker or escrow administrator fails to make or causes a failure to make the payments by the due date, that person is liable to the mortgagor for actual damages caused by the failure to pay the amounts when due. In addition, that person is liable for \$500 per occurrence if the failure to make, or the action causing the failure to make, the payments by the due date was due to the mortgage banker's or escrow administrator's failure to exercise reasonable care;

(c) fail to provide a borrower with an annual written analysis of an escrow account that is maintained by the mortgage banker for the payment of real property taxes or hazard insurance, including notice that the escrow account has a surplus or a shortage if one exists;

(8) advise, encourage, or induce a borrower or a third party to misrepresent information that is the subject of a loan application or to violate the terms of the agreement;

(9) require a borrower to purchase or renew any insurance policy from a designated carrier, agent, or agency, provided that a mortgage banker is not prohibited from: (i) disapproving an insurer or policy of insurance where there are reasonable grounds to believe that the insurer is insolvent or that the insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds that are based on the nature of the coverage and that are not arbitrary, unreasonable, or discriminatory; (ii) requiring that a policy of insurance or renewal thereof be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; or (iii) securing insurance or a renewal thereof at the request of a borrower or because of the failure of the borrower to furnish the necessary insurance or renewal thereof;

(10) require a borrower to obtain a policy of insurance covering the mortgaged property that exceeds the replacement cost of the buildings on the mortgaged property, provided that a mortgage banker is not prohibited from requiring that a policy of insurance or renewal thereof be in conformance with the standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(11) misrepresent the terms and conditions of the loan agreement;

(12) fail to notify the commissioner, in writing, of a change of information contained in the license application on file with the commissioner within ten business days of the change;

(13) in the application form, fail to disclose funds received or to be received, including but not limited to application fees, deposits, or charges made at the time of deposit, or the funds disbursed or to be disbursed and the purposes of the disbursement;

(14) fail to disburse funds in accordance with any agreement connected with a mortgage loan, taking into account any applicable right of rescission;

(15) refuse to permit an investigation or examination by the commissioner or fail to comply with any order of the commissioner;

(16) fail to pay any fee, fine, or assessment imposed by the commissioner;

(17) use or cause to be published any advertisement that contains any false, misleading, or deceptive statement or representation;

(18) use or cause to be published any advertisement which

contains any reference to the fact that the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker is regulated or supervised by the commissioner;

(19) use or cause to be published any advertisement that identifies the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker by any name other than the name on the license issued by the commissioner;

(20) fail reasonably to supervise licensees or employees to assure their compliance with this chapter;

(21) fail to make available or mail to a borrower, within three business days of a request from the borrower, an appraisal for which payment has been received by the mortgage banker or loan officer, in the event the borrower's loan application has failed to meet the mortgage banker's requirements for approval;

(22) upon receipt of an application for a mortgage loan, fail to provide to the borrower an itemized list of the fees the borrower must pay at the time of application, and a statement of which fees will or will not be refunded if the application is withdrawn or denied. If there is more than one borrower, the information may be provided to one of them; or

(23) refuse to honor a provision of a written real estate purchase agreement between a borrower and a seller relating to which party to the purchase agreement may execute a written interest rate or discount point agreement. The acceptance, whether by the borrower or the seller, must be in writing pursuant to section 47.206, subdivision 3.

Subd. 2. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.] No person, whether or not licensed under this chapter, while brokering a mortgage loan shall:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and which are necessary to obtain a loan commitment, receive compensation from a borrower until a written commitment to make a mortgage loan is given to the borrower by a mortgage banker or loan officer;

(2) fail to deposit in a trust account, within 48 hours of receipt, all fees received prior to the time a loan is actually funded. The trust account must be in a depository financial institution located within Minnesota;

(3) receive compensation from a borrower in connection with any mortgage loan transaction in which the general mortgage broker or individual mortgage broker is the mortgage banker, loan officer, or

a principal stockholder, partner, trustee, director, or officer of the mortgage banker;

(4) receive compensation from the borrower other than that specified in a written agreement signed by the borrower; or

(5) receive compensation from the borrower for acting as a general mortgage broker or individual mortgage broker without first entering into a written contract with the borrower that:

(i) identifies the trust account into which the fees or consideration will be deposited;

(ii) sets forth the circumstances under which the general and individual mortgage broker will be entitled to disbursement from the trust account;

(iii) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(iv) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(v) states the maximum rate of interest to be charged on any loan obtained;

(vi) discloses, with respect to the 12-month period ending ten business days prior to the date of the contract in question, the percentage of the general mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services (this disclosure need not be made for any period before the effective date of this statute); and

(vii) discloses the cancellation rights and procedures in section 13.

Sec. 13. [57.13] [CANCELLATION.]

A customer of a general or individual mortgage broker who pays a fee before the time the loan is actually funded has an unconditioned right to rescind the contract for mortgage brokerage services at any time until midnight of the third business day after the day on which the contract is signed. Cancellation is evidenced by the customer giving written notice of cancellation to the general mortgage broker at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox properly addressed to the general mortgage broker with postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the customer not to be bound by the contract. No act of

a customer of a general or individual mortgage broker is effective to waive the right to rescind as provided in this section.

Sec. 14. [57.14] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

In addition to the powers granted in section 45.027, subdivision 7, the commissioner may deny, suspend, or revoke any mortgage banker's, general mortgage broker's, loan officer's, or individual mortgage broker's license issued under this chapter for:

(1) conviction of a felony or misdemeanor involving fraud, misrepresentation, or deceit;

(2) entry of a judgment against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker involving fraud, misrepresentation, or deceit;

(3) entry of a federal or state administrative order against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker for violation of any law or any regulation applicable to the conduct of the licensed business.

For the purposes of this section and section 45.027, acts of an officer, employee, director, partner, or principal stockholder are considered to be acts of the mortgage banker or mortgage broker.

Sec. 15. [57.15] [RIGHT TO USE THE TERM MORTGAGE BANKER OR GENERAL MORTGAGE BROKER.]

Subdivision 1. [RESTRICTION.] No persons making or brokering a mortgage loan or administering an escrow account, including persons exempt from the licensing requirements of this chapter, may advertise or represent themselves to be a mortgage banker or general mortgage broker unless licensed as provided in this chapter or unless the person elects licensure for employees who perform the functions defined in section 3, subdivisions 8 and 10, pursuant to section 16.

Subd. 2. [PENALTY.] A person who willfully violates this section is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Sec. 16. [57.16] [RIGHT OF FINANCIAL INSTITUTION TO ELECT LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSURE.]

(a) Notwithstanding the exemption provided in section 4, an exempt financial institution may elect licensing for its employees if each employee who performs the functions defined in section 3, subdivisions 8 and 10 holds a loan officer or individual mortgage broker license. Employees of exempt institutions who hold a loan officer's or individual mortgage broker's license shall comply with the requirements of this chapter as if they were licensed to a mortgage banker or general mortgage broker.

(b) A financial institution that elects licensing for its employees does not forfeit its right to the exemption provided in section 4 by virtue of the election.

Sec. 17. [57.17] [MORTGAGE BANKER AND GENERAL MORTGAGE BROKER; REPORT OF VIOLATIONS TO COMMISSIONER.]

A person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall report a violation of this chapter by an employee to the commissioner. The report shall be made within a reasonable time after that person has knowledge of the violation. The commissioner shall prescribe the manner and form of the report. The making of a report of a violation to the commissioner shall not provide grounds for any action for libel, slander, or defamation by an employee against an employer, unless the employer knows that the report is false or acts with reckless disregard for the truth or falsity of the report.

A person who fails to report a violation is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Sec. 18. [57.18] [RULES.]

The commissioner may adopt rules the commissioner considers appropriate to administer this chapter.

Sec. 19. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase

or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(e) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

(d) (c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(d) (d) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;

(e) (e) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;

(g) offers or makes more than five loans secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States, trust company, trust company acting as a fiduciary, or other financial institution subject to the supervision of the commissioner of commerce, or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association.

Sec. 20. Minnesota Statutes 1986, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney acting solely as an incident to the practice of law if the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in the building;

(e) any bank, trust company, savings and loan association, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e) and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when that person is engaged in the specific performance of duties as an auctioneer, and when that person has been employed to auction real estate by a person licensed under this chapter or when the auctioneer has engaged a licensed attorney to supervise the real estate transaction;

(i) any person who acquires real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale if no more than 25 such transactions occur in any 12-month period and the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of these securities;

(k) any person who offers to sell or sells a business opportunity

which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A; and

(n) any mortgage banker, loan officer, or mortgage broker or individual mortgage broker licensed under sections 2 to 18 while engaged in the activities for which the license is required.

Sec. 21. Minnesota Statutes 1987 Supplement, section 580.23, subdivision 3, is amended to read:

Subd. 3. [AFFIDAVIT OF AGRICULTURAL USE.] An affidavit signed by the mortgagor and a certificate signed by the county assessor where the land is located stating that the mortgaged premises as legally described in the affidavit and certificate are not in agricultural use as defined in section 40A.02, subdivision 3, may be recorded in the office of the county recorder or registrar of titles where the property is located and are prima facie evidence of the facts contained in the affidavit and certificate.

A mortgagor signing the affidavit, and the mortgagor's personal representatives or assigns, shall be precluded, with respect to a foreclosure against the mortgaged premises, from denying the facts contained in the affidavit.

Sec. 22. [COMMERCE DEPARTMENT REPORT.]

Subdivision 1. [REPORT.] The commerce department shall conduct a study and report to the legislature by January 1, 1989, as to the cost of providing water damage coverage, defined in subdivision 2, on all homeowner's policies, including policies borrowers are required to purchase in connection with mortgage loans. Any insurers doing business in the state of Minnesota must provide such information that the commissioner determines is necessary to conduct this study. The report shall also explore the cost of other methods of providing water damage coverage.

Subd. 2. [WATER DAMAGE.] "Water damage" means:

(1) flood, waves, overflow of a body of water, or spray from any of these, that results from a rainstorm event and that enters the insured's dwelling while still on the surface of the ground; or

(2) water that backs up through sewers or drains or overflows within a sump pump or other type of system designed to remove water from around a foundation.

Water damage does not include losses that are the direct result of the negligence of the insured.

Sec. 23. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the commissioner of commerce for the purposes of administering sections 2 to 18 and is available until June 30, 1989. The approved complement of the department of commerce is increased by three positions.

Sec. 24. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1 to 24 are effective the day following final enactment. Nothing in those sections requires a mortgage banker or general mortgage broker to be licensed before October 1, 1988, or a loan officer or individual mortgage broker to be licensed sooner than they would otherwise be required under section 8, subdivision 1, paragraph (b)."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating the delivery of satisfactions of mortgages; regulating the business of mortgage bankers, loan officers, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; prohibiting certain practices; regulating affidavits of agriculture use; requiring a report; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, section 82.18; Minnesota Statutes 1987 Supplement, sections 47.208, subdivision 1; 82.17, subdivision 4; and 580.23, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, section 82.175."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 2761, A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; appropriating money; amending Minnesota Statutes 1986, sections 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.081, subdivisions 1 and 3; and 176.136, subdivisions 1, 5, and by adding subdivisions; 176.83, by adding a subdivision; 176A.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INSURANCE REGULATIONS

Section 1. Minnesota Statutes 1987 Supplement, section 62I.02, subdivision 1, is amended to read:

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 if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and

serves a public purpose. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and sheltered workshops for mentally, emotionally, or physically handicapped persons, ~~and~~ citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, and surety bonds required by Minnesota Rules, part 2780.2700, for workers' compensation group self-insurers made up of truckers subject to licensing by the department of transportation. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty 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.

Sec. 2. [62I.065] [TRUCKERS' SURETY BOND.]

Subdivision 1. [JOINT AND SEVERAL LIABILITY REQUIRED.] Surety bonds may not be issued to workers' compensation group self-insurers made up of truckers licensed by the department of transportation if the members do not have joint and several liability.

Subd. 2. [RATE.] The rate for surety bonds which comply with subdivision 1 shall be 120 percent of the average rate for the surety bonds of all other workers' compensation group self-insurers.

Sec. 3. Minnesota Statutes 1986, section 62I.07, is amended to read:

62I.07 [MEMBERSHIP ASSESSMENTS.]

(a) Each member of the association shall participate in its losses and expenses in the proportion that the direct written premiums of the member bears to the total aggregate direct written premiums 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 on

the annual statements and other reports filed by the member with the commissioner.

(b) Losses resulting from surety bonds for truckers groups that self-insure for workers' compensation shall be paid by the special compensation fund. The special compensation fund shall seek appropriations in each biennium for any amounts paid pursuant to this subdivision.

Sec. 4. [62I.166] [REINSURANCE ASSOCIATION TO ASSIST.]

The workers' compensation reinsurance association shall assist the association in any manner requested by the association in regard to surety bonds issued to trucker group self-insurers. This assistance may consist of the provision of data, the use of computer programs, or similar aid needed by the association in regard to the bonds. The workers' compensation reinsurance association must provide these services without cost to the association.

Sec. 5. Minnesota Statutes 1986, section 62I.21, is amended to read:

62I.21 [ACTIVATION OF MARKET ASSISTANCE PLAN AND JOINT UNDERWRITING ASSOCIATION.]

At any time the commissioner of commerce deems it necessary to provide assistance with respect to the placement of general liability insurance coverage, including bonds, on Minnesota risks for a class of business, the commissioner shall by notice in the State Register activate the market assistance plan and the joint underwriting association. The plan and association are activated for a period of 180 days from publication of the notice. At the same time the notice is published, the commissioner shall prepare a written petition requesting that a hearing be held to determine whether activation of the market assistance plan and the joint underwriting association is necessary beyond the 180-day period. The hearing must be held in accordance with section 62I.22. The commissioner by order shall deactivate a market assistance program and the joint underwriting association at any time the commissioner finds that the market assistance program and the joint underwriting association are not necessary.

Sec. 6. Minnesota Statutes 1986, section 79.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 79.01 to ~~79.23~~ 36, shall have the meanings ascribed to them.

Sec. 7. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 3. [RATES.] One rate is unfairly discriminatory in relation to another if it clearly fails to reflect equitably the differences in expected losses, expenses, and the degree of risk. Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or like expense factors but different loss exposures, so long as the rates reflect the differences with reasonable accuracy.

Sec. 8. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 4. [FLEXIBLE RANGE OF RATES.] An insurer may write insurance at rates that are lower than the rates approved by the commissioner provided the rates are not unfairly discriminatory.

Sec. 9. [79.253] [PRIOR RATES.]

Subdivision 1. Rates and rating plans that have been filed with the commissioner prior to January 1, 1988, pursuant to section 79.56 by insurers are conclusively presumed to satisfy the requirements of this act until the initial schedule of rates has been approved by order of the commissioner.

Subd. 2. If a rate was not filed by an insurer prior to January 1, 1988, then an insurer may file a rate for any classification for which a rate was not previously filed. This rate shall not be used until it is approved by the commissioner. The commissioner may approve a rate up to the rate level approved for use by the assigned risk plan for that rate class. These rates may remain in force until the commissioner has approved an initial schedule of rates pursuant to section 10, subdivision 4. If the commissioner disapproves of any rate or rating plan pursuant to authority granted in this subdivision, the disapproval shall not be subject to chapter 14 and the decision shall be final.

Subd. 3. Until the commissioner issues a rate order approving a schedule of rates pursuant to section 10, subdivision 4, an insurer may not, through the use of any rating plan charge a rate higher than the rates applicable to the insurer pursuant to subdivision 1 or 2. This subdivision does not prohibit the use of approved experience rate plans or retrospective rating plans which have been adopted in the filed rates by insurers, the assigned risk plan, or filed by a data service organization.

Sec. 10. [79.71] [RATES; HEARINGS.]

Subdivision 1. [ADOPTION OF INITIAL RATE SCHEDULE.]

The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state after June 30, 1989, for each classification under which business is written. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. The adoption of the initial schedule of rates shall be by hearing held pursuant to the contested case procedures in chapter 14. In adopting a schedule of rates, the commissioner may act on the written petition of the association, the department of labor and industry, or any other interested party requesting that a hearing be held for modification of the schedule of rates.

Subd. 2. [PETITION FOR RATE HEARING.] Upon receipt of a petition requesting a hearing for modification of an existing schedule of rates, the commissioner shall determine whether the petition sufficiently sets forth facts that show that the existing schedule of rates is excessive, inadequate, unfairly discriminatory, or otherwise in need of modification so as to indicate the need to hold a hearing. If the association is a petitioner, the commissioner may decline to grant a hearing if the association has failed to provide information requested by previous orders modifying the schedule of rates, provided that the request was not unreasonable. The commissioner may accept or reject the petition for a hearing and shall give notice of a determination to the petitioning party within 90 days of receipt of the petition. If the commissioner rejects the petition, the commissioner shall notify the petitioning party of the reasons for the rejection. If the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this section or section 13, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court, enactment of a statute or other circumstance has effected a substantial change in the basis upon which the existing schedule of rates was adopted. Upon such certification by the commissioner of labor and industry, the commissioner may, by order, modify the existing schedule of rates to reflect the supreme court's decision, enactment of statute, or other circumstance. The order modifying the schedule of rates is not subject to chapter 14 and shall remain in effect until the commissioner has made a final determination as required by subdivisions 4 and 5.

Subd. 3. [HEARING.] The commissioner shall determine, within 90 days of receipt of the petition whether to accept or reject the petition. If the commissioner accepts the petition for hearing, the commissioner shall order a hearing on matters set forth in the petition. The hearing shall be held pursuant to the contested case procedures in chapter 14. The burden of proof is on the petitioning party. The commissioner shall forward a copy of the order for hearing to the chief administrative law judge. The chief administrative law judge must, within 30 days of the receipt of the order, 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 report of the administrative law judge must be issued within 180 days from the date of receipt of the order by the chief administrative law judge. The commissioner shall publish notice of the hearing in the State Register at least 20 days before the hearing date. The administrative law judge must admit documentary and statistical evidence accepted and relied upon by an expert whose expertise is related to workers' compensation rate matters, without the traditional evidentiary foundation. Approval of the notice prior to publication by the administrative law judge is not required. Within 60 days of the completion of the hearing, the administrative law judge must submit a report to the commissioner. The parties or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedures to conform with the the time requirements set forth in this subdivision. After the close of the hearing record, the administrative law judge shall transmit to the commissioner the entire record of the hearing, including the transcript, exhibits, and all other material properly accepted into evidence, together with the finding of facts, conclusions, and recommended order made by the administrative law judge. The time for filing the report may be extended by the chief administrative law judge for good cause.

Subd. 4. [HEARING DETERMINATION.] The commissioner may accept, reject, or modify, in whole or in part, matters raised in the petition for modifications of the schedule of rates or matters raised in the findings and recommendations of the administrative law judge. The commissioner's determination shall be based upon substantial evidence.

Subd. 5. [DEADLINE FOR DETERMINATION.] The commissioner shall make a final determination with respect to adoption of a schedule of rates within 90 days after receipt of the administrative law judge's report. If the commissioner fails to act within the 90-day period, the findings, conclusions, and recommended order of the administrative law judge become the final order of the commissioner on the 91st day.

Subd. 6. [CONSULTANTS; COMMISSIONER OF COMMERCE.] The commissioner of commerce may hire consultants, including a consulting actuary and other experts, deemed necessary to assist in the establishment or modification of the schedule of rates. A sum sufficient to pay the costs of conducting the hearing provided under subdivision 3, appeals therefrom, or the establishment or modification of the schedule of rates, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of commerce and assessed against the rating association and its members by the special compensation fund.

Subd. 7. [CONSULTANTS; COMMISSIONER OF LABOR AND

INDUSTRY.] The commissioner of labor and industry may hire consultants, including a consulting actuary and other experts, deemed necessary to assist the commissioner of labor and industry in the hearing for modification of the schedule of rates and appeals therefrom. A sum sufficient to pay the costs of the commissioner of labor and industry in regard to the hearing provided under subdivision 3 and appeals therefrom, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of labor and industry and assessed against the rating association and its members by the special compensation fund.

Subd. 8. [CONSULTANTS, ADMINISTRATIVE JUDGES.] The office of administrative hearings, upon approval of the chief administrative law judge, may hire consultants necessary to assist the administrative law judge assigned to a workers' compensation rate proceeding.

Subd. 9. [COMMISSIONER OF LABOR AND INDUSTRY AS A PARTY.] The commissioner of labor and industry must be a party to all proceedings under this chapter and shall act to assure that the public interest is represented and protected. The commissioner of labor and industry may: (1) inspect at all reasonable times, and copy the books, records, memoranda, and correspondence or other documents and records of any person relating to any regulated business; and (2) cause the deposition to be taken of any person concerning the business and affairs of any business regulated by the department. Information sought through said deposition shall be for a lawfully authorized purpose and shall be relevant and material to the investigation or hearing before the commissioner. Information obtained from said deposition shall be used by the department only for a lawfully authorized purpose and pursuant to powers and responsibilities conferred upon the department. Said deposition is to be taken in the manner prescribed by law for taking depositions in civil actions in the district court. The commissioner of labor and industry may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department of labor and industry. The costs of the commissioner of labor and industry in discharging this obligation shall be paid by the special compensation fund and assessed against the rating association and its members by the special compensation fund.

Subd. 10. [APPOINTMENT OF ACTUARY.] The commissioner of labor and industry shall employ the services of a casualty actuary experienced in workers' compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of the actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 11. [79.72] [PETITION FOR REHEARING.]

Subdivision 1. [PETITION CONTENTS.] Any interested party may petition the commissioner for rehearing and reconsideration of a determination made pursuant to section 10. The petition for rehearing and reconsideration shall be served on the commissioner and all parties to the rate hearing within 30 days after service of the commissioner's final order. The petition shall set forth factual grounds in support of its petition. An interested party adversely affected by a petition for review and reconsideration has 15 days to respond to factual matters alleged in the petition.

Subd. 2. [GRANT OF REHEARING.] The commissioner may grant a rehearing upon the filing of a petition under subdivision 1. On rehearing, the commissioner may limit the scope of factual matters that are subject to rehearing and reconsideration. The rehearing is subject to the provisions of section 10.

Subd. 3. [MODIFICATION OF ORDER.] Following rehearing, the commissioner may modify the terms of the initial order adopting a change in the schedule of rates upon a determination that adequate factual grounds exist to support modification. Adequate factual grounds include, but are not limited to, erroneous testimony by any witness or party to the hearing, material change in Minnesota loss or expense data occurring after a petition for modification of the schedule of rates has been filed, or any other mistake of fact that has a substantial effect upon the schedule of rates adopted in the initial order of the commissioner.

Sec. 12. [79.731] [JUDICIAL REVIEW.]

Final orders of the commissioner pursuant to sections 10 and 11 are subject to judicial review pursuant to sections 14.63 to 14.69 but shall remain in effect during the pendency of any appeal.

Sec. 13. [79.711] [INTERIM SCHEDULE OF RATES.]

The rating association, the commissioner of labor and industry, or any other interested party may file a petition for an adjustment in the schedule of rates when there has been a law change in the benefit payable under chapter 176. "Law change" means only statutory changes by the legislature or supreme court decisions. When a petition for a change in the schedule of rates due to a law change is received by the commissioner, the commissioner shall review any petition for up to 30 days to determine if it presents facts which warrant a hearing. If the commissioner accepts a petition for hearing it shall be conducted pursuant to the contested case procedures found in chapter 14. The chief administrative law judge shall assign an administrative law judge to hear a petition for a change in the schedule of rates within 30 days. The administrative law judge shall conclude the hearing within 60 days of assignment by the chief

administrative law judge and file findings of fact, conclusions of law, and a proposed order with the commissioner within 30 days of concluding the hearing. The administrative law judge shall, after the close of the record, file a report with recommendations in the same manner as in section 10, subdivision 4. The time for holding the hearing and filing the report with the commissioner may be expanded by the chief administrative law judge upon a showing of good cause for an additional 30 days. The commissioner's order may affirm, reverse, or modify the findings and order of the administrative law judge. The petitioning party shall have the burden of proof in any hearing held pursuant to this subdivision. Interim rate hearings are only for changes in the schedule of workers' compensation rates resulting from law changes. All other evidentiary, procedural, and review standards in section 10 shall apply to interim rate hearings except for the time requirements in this subdivision. Interim rate hearings are subject to judicial review pursuant to chapter 14 except that the commissioner's interim rate order shall remain in effect during the pendency of any appeal by any party. The commissioner is an interested party if the commissioner's decision is appealed pursuant to chapter 14. Interim rate hearings may only be held after an initial schedule of rates has been approved by the commissioner unless requested by the commissioner of labor and industry.

Sec. 14. [79.74] [AUTOMATIC ADJUSTMENT OF RATES.]

The commissioner shall adopt a rule to automatically adjust a schedule of rates to reflect benefit changes mandated by operation of law after the most recent change in the statewide schedule of rates. This adjustment shall also reflect the annual change in the maximum weekly compensation made pursuant to section 176.101, an adjustment in the assessment rate for the special fund, and the annual adjustment made pursuant to section 176.645, any adjustment in the assessment for the assigned risk plan pursuant to section 79.251, subdivision 5, any adjustment in the assessment for the Minnesota insurance guarantee association pursuant to section 60C.05, or any other assessment required by law. The initial rule to automatically adjust the schedule of rates and any amendments made pursuant to this subdivision is effective on October 1, 1988, or as soon thereafter as possible and is not subject to chapter 14, except the commissioner of commerce shall comply with section 14.38, subdivision 7.

At each rate hearing held pursuant to section 10 or rehearing pursuant to section 11, following an automatic adjustment, the commissioner shall review the rate adjustment to assure that the schedule of rates adopted subsequent to the adjustment are not excessive, inadequate, or unfairly discriminatory. If the commissioner finds that the schedule of rates adopted subsequent to the adjustment are excessive, inadequate, or unfairly discriminatory, the commissioner shall order appropriate remedial action.

Sec. 15. [79.75] [RATE REVISION ORDER; EFFECT.]

Subdivision 1. [POLICIES.] A revised schedule of rates, adopted under section 10 or 11, applies to new and renewal policies issued after the effective date of the commissioner's final order.

Subd. 2. [INSUREDS.] The revised schedule of rates applies to all insureds and prospective insureds under the workers' compensation rating manual adopted by the association and approved by the commissioner.

Sec. 16. [79.76] [COMMISSIONER MAY REQUIRE SURVEY.]

Following a complaint, the commissioner may require the association to conduct a survey and report. The commissioner may withdraw approval of any rate or classification upon ten days' notice to the parties interested.

Sec. 17. [79.77] [CLASSIFICATION OF WORKERS' COMPENSATION INSURANCE.]

No classification for compensation insurance purposes shall be effective until approved by the commissioner. No rule or regulation with reference to compensation risks filed by any insurer, or by the association, shall be effective until approved by the commissioner. No type of insurance covering any part of the liability of an employer allowed to self-insure as provided in section 176.181, is effective in this state unless approved by the commissioner. If it appears at any time that reasonable doubt on the part of the commissioner as to the proper classification or rate for any risk exists, such risk may be bound for insurance subject to establishing a rate and classification.

Sec. 18. [79.78] [INSURERS SHALL BE MEMBERS OF ASSOCIATION.]

Every insurer issuing workers' compensation insurance in this state shall be a member of the association organized under section 19, to be maintained in this state for the following purposes:

(1) to separate the industries of this state that are subject to workers' compensation insurance into proper classes for compensation insurance purposes; to inspect compensation risks and establish the merit and experience rating system approved for use in this state; to establish charges and credits under the system; and to report all facts affecting compensation insurance risks and those necessary for approving policies of compensation insurance as conforming with classifications and rates previously promulgated by the association and approved by the commissioner; and

(2) to assist the commissioner and insurers in approving rates, determining hazards and other material facts in connection with compensation risks, and to assist in promoting safety in the industries.

Sec. 19. [79.79] [ORGANIZATION OF ASSOCIATION.]

The association shall adopt articles of incorporation, bylaws, and a plan of operation. These articles, bylaws, and plan of operation and all amendments thereto shall be filed with and approved by the commissioner and shall not be effective until so filed and approved. The association shall admit to membership any insurer authorized to transact workers' compensation insurance in this state. The charges and service of the association shall be fixed in the articles or bylaws and shall be equitable and nondiscriminatory as between members. The initial articles, bylaws, and plan of operation shall be filed with the commissioner no later than June 15, 1988. If the initial articles, bylaws, and plan of operation are not filed by June 15, 1988, the commissioner shall adopt the initial articles, bylaws, and plan of operation.

Sec. 20. [79.80] [EXPENSE, HOW PAID.]

Each member of the association shall pay an equitable and nondiscriminatory share of the cost of operating the association. If the members of the association cannot agree upon an apportionment of cost, any member may in writing petition the commissioner to establish a basis for apportioning the cost. If any member is aggrieved by an apportionment made by the association, it may in writing petition the commissioner for a review of the apportionment. The commissioner shall, upon not less than five days notice to each member of the association, hold a hearing upon any such petition at which all members are entitled to be present and be heard. The commissioner shall determine the matter and mail a copy of the determination to each member of the association. The decision of the commissioner shall be final and binding upon all members of the association.

Sec. 21. [79.81] [BOARD OF DIRECTORS.]

A board of directors of the rating association is created and is responsible for the operation of the rating association consistent with the plan of operation and sections 10 to 36. The board consists of seven directors. Four directors shall represent insurers and the commissioner of commerce shall appoint the remaining directors. Each director is entitled to one vote. Terms of the directors shall be two years. The board shall select a chair and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a

quorum. Action may be taken by a majority vote of the directors present.

The board shall take reasonable and prudent action regarding the management of the rating association including but not limited to the management of the daily affairs of the rating association.

Sec. 22. [79.82] [PLAN OF OPERATION.]

Subdivision 1. [PROVISIONS.] The plan of operation shall provide for all of the following:

(a) the establishment of necessary facilities;

(b) the management and operation of the rating association;

(c) a preliminary assessment, payable by each member in proportion to its total premium in the year preceding the inauguration of the rating association, for initial expenses necessary to commence operation of the rating association;

(d) procedures governing the actual payment of assessments to the rating association;

(e) reimbursement of each member of the board by the rating association for actual and necessary expenses incurred on rating association business; and

(f) any other matters required by or necessary to effectively implement sections 10 to 36.

Subd. 2. [AMENDMENTS.] (a) The plan of operation shall be subject to approval by the commissioner after consultation with the members of the association, representatives of the public and other affected individuals and organizations. 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 or part thereof. If a revised plan is not submitted within 15 days, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner shall become effective and operational upon order of the commissioner.

(b) Amendments to the plan of operation may be made by the commissioner or by the directors of the association, subject to the approval of the commissioner.

Sec. 23. [79.83] [APPLICABILITY OF CHAPTER 79.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] The rating association is subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any time and examine, audit, or evaluate the rating association's operations, records and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the departments of commerce or labor and industry or other parties retained by the commissioner.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the rating association shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 24. [79.84] [MANUALS.]

Subdivision 1. [FILING REQUIRED.] On or before July 1, 1988, the association must file with the commissioner all underwriting and rating manuals which are used in the classification of risks and the calculation of rating plans, rates, and fees. The association must provide the commissioner with at least six copies of each manual. A copy of each manual filed shall also be provided to the commissioner of labor and industry.

The commissioner shall review the manuals and on or before October 1, 1988, approve or disapprove the manuals or any part thereof. Until the commissioner has approved or disapproved the manuals, they shall remain in force. As to any manual or part thereof that is not approved, a hearing pursuant to the contested case procedures of chapter 14 shall be held.

Until the conclusion of the contested case proceeding, the portions of the manuals that were not approved shall remain in force.

Subd. 2. [AMENDMENTS.] If the association amends a manual, the amendment shall not be effective until approved by the commissioner. The commissioner shall approve or disapprove any amendment within 90 days of filing. Any amendment not approved within 90 days shall be deemed to be disapproved. As to a disapproved amendment, the association may contest the disapproval pursuant to the contested case procedures of chapter 14.

Subd. 3. [BURDEN OF PROOF.] The burden of proof in a proceeding under this section shall be upon the party requesting the adoption of a manual or an amendment of a manual.

Subd 4. [COSTS.] The costs of the commissioner and the commissioner of labor and industry in regard to a contested case proceeding

under this section, including the costs of consultants, staff, and related costs, and costs billed by the attorney general's office shall be paid by the special compensation fund and assessed to the association and its members by the special compensation fund.

Subd. 5. [PUBLIC ACCESS.] Copies of all approved manuals must be made available to the public for inspection during regular business hours at the office of the association. Proposed manuals and amendments to manuals must be made available in the same manner.

Sec. 25. [79.85] [EXEMPTION.]

The rating association is not subject to sections 15.0597 and 471.705 and chapter 13 nor any other law or rule that pertains to a public body. For purposes of Minnesota law or rule, the association is not a public body.

Sec. 26. [79.86] [LICENSE; FEE.]

The association shall procure annually from the commissioner a license to carry on its business. The license shall run from July 1 to the last day of June. An annual license fee of \$100 must be paid at the time of filing application for license.

Sec. 27. [79.861] [ANNUAL STATEMENT.]

The association on or before March 1 each year shall file with the commissioner a statement covering its activities for the year ending on the preceding December 31. This report shall cover its financial transactions and other matters connected with its operation, including employee compensation and other specific expenditures as required by the commissioner. The commissioner shall prescribe the form of the report. The association and its members are subject to supervision and examination by the commissioner or any examiner authorized by the commissioner on such matters as the commissioner deems appropriate. Examination may be made as often as the commissioner deems necessary. A sum sufficient to pay the cost of all examinations is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 28. [79.862] [ASSOCIATION SHALL MAKE CLASSIFICATION.]

The association shall, on behalf of its members, assign each compensation risk and subdivision thereof in this state to its proper classification. The determination as to the proper classification by the association shall be subject to the approval of the commissioner as provided in this chapter. The association shall, on behalf of all members thereof, inspect and make a written survey of each risk to

which the system of merit rating approved for use in this state is applicable. It shall, on behalf of all the members thereof, file with the commissioner its classification of risks and keep on file at the office of the association the written surveys of all risks inspected by it, which survey shall show the location and description of all items producing charges and credits, if any, and such other facts as are material in the writing of insurance thereon. It shall file any subsequent proposed classification or later survey and all rules and regulations which do or may affect the writing of these risks. The association classification shall be binding upon all insurers. The commissioner and the association and its representatives shall give all information as to classifications, rates, surveys, and other facts collected and intended for the common use of insurers subject to sections 10 to 36 to all these insurers at the same time. A copy of the complete survey by the association, with the approved classification and rates based thereon and the effective date thereof, shall be furnished to the insurer of record as soon as approved. The approved classification and rates upon a specific risk shall be furnished upon request to any other insurer upon the payment of a reasonable charge for the service. Every insurer shall promptly file with the association a copy of each payroll audit, which shall be checked by the association for correctness of classification and rate. The commissioner may require the association to file any such copy and may verify any payroll audit by a reaudit of the books of the employer or in such other manner as may appear most expedient. Upon written complaint stating facts sufficient to warrant action by it, the commissioner shall verify any payroll audit reported to the commissioner.

Sec. 29. [79.863] [INFORMATION.]

In addition to other information that the commissioner requests pursuant to section 10, the rating association shall: (a) separate the incurred but not reported losses of its members; (b) separate paid and outstanding losses of its members; (c) provide information indicating cases in which its members have established a reserve in excess of \$50,000; (d) provide information on the income on invested reserves of its members; and (e) provide information as to policies written at other than the filed rates. The rating association shall file information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses. The rating association shall file information based solely on Minnesota data concerning its members reserving practices, premium income, indemnity and medical benefit paid and lobbying expenses of its members. The rating association shall file an itemized breakdown of its lobbying expenses.

The commissioner shall consider this information in an appropriate manner in adopting a schedule of rates and shall decline to grant

a hearing pursuant to section 10 for purposes of considering a rate increase if the association fails to provide the information.

Sec. 30. [79.864] [RECORD; ASSOCIATION SHALL FURNISH INFORMATION.]

The association shall keep a careful record of its proceedings. It shall furnish, upon demand, to any employer whose workers' compensation risk has been surveyed, full information as to the survey, including the method of the computation and a detailed description and location of all items producing charges or credits. The association shall provide a means, approved by the commissioner for hearing any member or employer whose risk has been inspected, either in person or by a representative, before the governing or rating committee or other proper representatives with reference to any matter affecting the risk. Any insurer or employer may appeal from a decision of the association to the commissioner. The association shall make rules governing appeals, to be filed with and approved by the commissioner. The commissioner may require the association to file any information connected with its activities.

Sec. 31. [79.865] [INSURERS SHALL NOT DISCRIMINATE.]

No insurer shall make or charge any rate for workers' compensation insurance in this state which discriminates unfairly between risks or classes, or which discriminates unfairly between risks in the application of like charges and credits in the plan of merit or experience rating in use.

Sec. 32. [79.867] [RATES SHALL BE FILED.]

Every insurer writing workers' compensation insurance in this state, except as ordered by the commissioner, must file with the commissioner its rates for this compensation insurance and all additions or changes. All rates so filed must comply with the requirements of law and are not effective until approved by the commissioner. A rate which is filed and approved cannot be changed until 15 days after the substituted rate is filed and after approval by the commissioner.

Sec. 33. [79.868] [RATES TO BE UNIFORM; EXCEPTIONS.]

No insurer may write insurance at a rate above that established by the association and approved as reasonable by the commissioner. The association may reduce or increase a rate by the application to individual risks of the system of merit or experience rating which has been approved by the commissioner. This reduction or increase shall be set forth in the policy or by endorsement thereon. Upon written request, an insurer shall furnish a written explanation to the insured of how and why the individual rate was adjusted by

application of a system of merit or experience rating. This explanation shall be mailed to the insured within 30 days of the request.

Sec. 34. [79.869] [DUTIES OF COMMISSIONER.]

The commissioner of commerce shall require compensation insurers, or their agents, to file such reports as may be necessary for the purposes of sections 10 to 36 for use by the commissioner.

Sec. 35. [79.87] [VIOLATIONS; PENALTIES.]

In addition to any other penalties prescribed by law, any insurer, rating association, agent, or other representative or employee of any insurer or rating association that fails to comply with, violates any of the provisions of sections 10 to 36, or any order or ruling of the commissioner, shall be punished by a fine of not less than \$50 nor more than \$5,000. In addition, the license of any insurer, agent, or broker guilty of such violation may be revoked or suspended by the commissioner.

Sec. 36. [79.88] [RULEMAKING.]

Until July 1, 1989, the commissioner shall be exempt from the rulemaking provisions of chapter 14. The commissioner must comply with section 14.38, subdivision 7, when adopting rules to carry out the commissioner's duties assigned by this section. Any rules adopted pursuant to this exemption shall be subsequently adopted by a chapter 14 rules proceeding commencing no later than July 1, 1990.

Sec. 37. [OLD ASSOCIATION.]

Subdivision 1. [RECORDS DEPOSITED WITH THE COMMISSIONER.] All records of the rating association authorized by sections 79.61 and 79.62 or its predecessors pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications shall be deposited with the commissioner no later than the effective date of the repeal of sections 79.61 and 79.62.

Subd. 2. [ASSOCIATION ASSETS.] All assets of the rating association authorized by section 79.61 or 79.62 or its predecessors shall be transferred to the rating association established under section 19.

Sec. 38. [TRANSITION PROVISIONS; EMPLOYEES.]

Until January 1, 1989, initial appointment to the professional positions authorized by section 41 shall be deemed to be provisional or exceptional appointments as defined by section 43A.15, subdivisions 4 and 8, and the commissioner of employee relations must

authorize those appointments as requested by the commissioner of commerce or labor and industry. Upon request of the commissioner of commerce or labor and industry, the appointments under this section shall be considered an unusual employment condition as defined by section 43A.17, subdivision 3 and salaries may be set accordingly.

Sec. 39. [RULE SUPERSEDED.]

The security or bonding requirements of Minnesota Rules, part 2780.2700, shall continue in force but without any dollar limitations. The commissioner shall amend the rule as soon as possible to conform with this section. The amendment of the rule is not subject to chapter 14, except that the commissioner shall comply with section 14.38, subdivision 7.

Sec. 40. [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting Article 1 to reinstate the prior state law regarding rate regulation which was repealed effective January 1, 1984. Judicial and administrative decisions regarding the prior law shall be deemed to be applicable to Article 1 in the same manner as to the prior law.

Sec. 41. [APPROPRIATION.]

Subdivision 1. \$510,000 is appropriated from the special compensation fund to the department of commerce for the purpose of sections 10 to 38. The complement of the department of commerce is increased by nine positions.

Subd. 2. \$600,000 is appropriated from the special compensation fund to the department of labor and industry for the purpose of sections 10 to 38. The complement of the department of labor and industry is increased by ten positions.

Subd. 3. \$120,000 is appropriated from the special compensation fund to the attorney general for the purpose of sections 10 to 38. The complement of the attorney general is increased by three positions.

Sec. 42. [REPEALER.]

Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; and 79.62, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Article 1 is effective the day following final enactment.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1986, 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 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 the employee's dependents in the event of death, shall not exceed ~~66 2/3~~ 80 percent of the ~~product of the daily wage times the number of days normally worked of the employee's spendable weekly earnings~~, 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. 2. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 28. [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 state law and under the Internal Revenue Code of 1954, as amended, using the number of exemptions allowed for the employee and for actual dependents, old age, and blindness, to which the employee is entitled on the date of injury; and

(2) an amount equal to the weekly amount required to be withheld 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 September 1, the commissioner of the department of labor and industry shall publish uniform tables of spendable weekly earnings, as defined in paragraph (a), using applicable state and federal tax laws in effect the preceding July 1. This table shall take effect October 1 and shall be conclusive for the purpose of converting a weekly wage into spendable weekly earnings during the following 12 months. The adoption of this table is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 3. Minnesota Statutes 1986, 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 section 176.242, 176.2421, 176.243, or 176.244 sections 176.106 and 176.239 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 for a workers' compensation matter 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, employer, and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, 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.

(c) Attorneys representing employers and insurers may charge no more than \$6,500 per case, unless an additional fee is approved under subdivision 2. No fee shall be paid by the employer or insurer until a statement of attorney fees reporting the number of hours spent on the case and the amount of the fee being claimed has been filed with the commissioner.

Sec. 4. Minnesota Statutes 1987 Supplement, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee parties, including the employer, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 5. Minnesota Statutes 1986, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ Any party that is dissatisfied with attorney fees, may file an application for review by the workers' compensation court of appeals. Such application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the attorney for the employee by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise the question of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 6. Minnesota Statutes 1986, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is ~~66 $\frac{2}{3}$~~ 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 130 percent of 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. ~~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. 7. Minnesota Statutes 1986, 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 $\frac{2}{3}$~~ 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 this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to 130 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1986, 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 $\frac{2}{3}$~~ 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. This subdivision applies to an injury which occurs on or after January 1, 1984.

Sec. 9. Minnesota Statutes 1986, 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%~~ 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 there is wholly dependent on the employee for support some person named in section 176.111, subdivision 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. 10. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and may by emergency rules that shall remain in effect until September 30, 1991, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 11. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has ~~60~~ 90 days of lost work time due to the personal injury, ~~except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury.~~ The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the ~~job~~ the employee held at the time of the injury ~~preinjury employer,~~ rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation,

business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

The employee may choose a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests shall be determined by the commissioner or compensation judge according to the best interests of the parties.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner or compensation judge shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 12. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. Any plan that is not completed within six months or that will cost more than \$3,600, must be specifically approved by the commissioner. This approval may not be waived by the parties.

Sec. 13. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations, and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing, except that the medical fee rules promulgated on October 1, 1988, and based upon 1987 medical cost data, shall remain in effect until September 30, 1991. The commissioner may modify provisions of the medical fee rules other than the amount of the fees by emergency rules which shall remain in effect until September 30, 1991. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 14. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [HOSPITAL CHARGES.] The commissioner shall by emergency rules which shall remain in effect until September 30, 1991, reasonably limit inpatient as well as outpatient hospital

charges. Hospital charges may be limited under subdivision 1 or by any other prudent, cost-effective method, or under both subdivision 1 and this subdivision.

Sec. 15. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt emergency rules that shall remain in effect until September 30, 1991, that reasonably limit amounts which may be charged for independent, adverse, or neutral medical examinations requested by any party.

Sec. 16. Minnesota Statutes 1986, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] Where permanent rules have been adopted to implement this section, The commissioner shall annually give notice in the State Register of the 75th percentile to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 if the 75th percentile for the service data meets the requirements of paragraphs (a) to (e) (d).

(a) The data base includes at least three different providers of the service.

(b) The data base contains at least 20 billings for the service.

(c) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less.

(d) The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other. The value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile.

(e) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services.

(d) If the commissioner identifies a problem with the data base such that the average fee does not logically reflect the usual and customary charge, then, upon consultation with the medical services review board, the commissioner may eliminate the category from the rules or adjust the rate to correct the inconsistency or error.

Sec. 17. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 6. [LEGISLATIVE INTENT.] It is the intent of the legislature to control workers' compensation costs by limiting the amount workers' compensation insurers must pay for medical expenses. Given rapidly rising medical costs which have had a direct impact on the rise in workers' compensation costs in recent years, the legislature mandates that these costs must be controlled. Therefore, the legislature is conferring authority upon the commissioner to develop a means of limiting allowable medical and hospital charges.

Sec. 18. Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the petitioner's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's 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 representative of the employee. The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number

of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather addition information which was not included on the petition as required by section 176.291.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional unfair, misleading, deceptive, or fraudulent practices or conduct which are subject to the penalties under this section.

Sec. 20. Minnesota Statutes 1987 Supplement, section 176.194, is amended by adding a subdivision to read:

Subd. 6. [UNFAIR BUSINESS PRACTICES.] (a) An insurer, self-insurer, or other entity referred to in subdivision 1, causing or permitting with such frequency to indicate a general business practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, those practices enumerated under section 72A.20, subdivision 12, may be ordered by the commissioner to cease and desist from such practice immediately and may be assessed a civil penalty of \$2,000 for each offense.

(b) Any person who violates a cease and desist order of the commissioner under this section after it has become final, shall forfeit and pay to the special compensation fund a sum of \$10,000 for each violation. In addition, the commissioner of commerce may revoke or suspend the entity's license to write insurance or administer or adjust claims, or authority to self-insure in this state in accordance with the procedures in section 176.195.

(c) These penalties are in addition to any other penalties that may be imposed under chapter 176, or chapters 60 to 80. An order of the commissioner under this section shall become final as provided by section 72A.24.

Sec. 21. Minnesota Statutes 1986, 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;

(3) substitute for the findings of fact made by the compensation judge findings based on the total evidence;

(4) sustain, reverse, make or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,

(5) summarily affirm without opinion the decision of the commissioner or compensation judge; and

(6) remand or make other appropriate order.

Sec. 22. Minnesota Statutes 1986, 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. For injuries occurring on or after October 1, 1988, the initial adjustment under subdivision 1 shall be deferred until the second anniversary of the date of injury.

Sec. 23. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66%~~ 80 percent of the employee's spendable weekly wage earnings on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 24. Minnesota Statutes 1986, section 176.83, is amended by adding a subdivision to read:

Subd. 16. [EMERGENCY RULES EFFECTIVE DATES.] Notwithstanding sections 14.29 to 14.36, emergency rules authorized by sections 10, 13, 14, and 15, may be adopted beyond the 180-day

period referred to in section 14.29 and, once adopted, shall remain in effect until September 30, 1991.

Sec. 25. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 26. [REPORTS TO THE LEGISLATURE; RECOMMENDATIONS ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a detailed report to the legislature before January 1, 1990, concerning medical cost issues in the workers' compensation system. The report shall also develop and evaluate a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities.

Sec. 27. [NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

The commissioner shall develop a plan to assure neutrality of qualified rehabilitation consultants and shall consider alternative methods of selection of qualified rehabilitation consultants for injured workers. The commissioner shall report to the legislature by January 1, 1989, regarding the plan.

Sec. 28. [SUNSET OF WORKERS' COMPENSATION COVERAGE, INSURANCE, EXCLUSIVE REMEDY, AND BENEFITS.]

Minnesota Statutes 1986, sections 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; and Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivisions 1 and 1a; 176.181, subdivision 3;

176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a, are repealed June 30, 1991.

Sec. 29. [EFFECTIVE DATE.]

Article 2 is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; regulating benefits; appropriating money; amending Minnesota Statutes 1986, sections 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.011, subdivision 18, and by adding a subdivision; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 3a, and 4; 176.136, subdivisions 1, 5, and by adding subdivisions; 176.421, subdivision 6; 176.645, subdivision 2; 176.66, subdivision 11; 176.83, by adding a subdivision; and 176A.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; 176.155, subdivision 1; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a."

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.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 63, A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.011, is amended by adding a subdivision to read:

Subd. 35. [LIMOUSINE.] "Limousine" means a passenger automobile for hire, other than a taxicab or a van, that is regularly engaged in the business of transporting persons and that has a rear seating capacity of not more than nine passengers.

Sec. 2. Minnesota Statutes 1986, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the

exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another;

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motorcycles, motorized bicycles, and motor scooters~~ shall be issued for a six-year period ~~starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and. All plates issued under this paragraph must be replaced if they are six years old or older at the time of annual registration.~~

(4) Plates for any vehicle not specified in ~~clauses~~ paragraphs (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 3. Minnesota Statutes 1986, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, or pickup truck, motorcycle, or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a fee of \$100 in addition to the registration tax required by law for the vehicle. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than ~~six~~ seven numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made

for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of a \$5 fee.

~~The fee prescribed for personalized license plates must be paid only in those years in which the number plate itself is issued, and must not be payable in a year in which a year plate, tab, or sticker is issued in lieu of a number plate.~~

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 4. Minnesota Statutes 1986, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee of \$2 for a license plate for a motorcycle, motorized bicycle, or motorized sidecar, and ~~\$3~~ \$2 for license plates, other than license plates issued pursuant to section 168.27, subdivisions 16 and 17, for passenger automobiles; ~~provided that no fee is required for plates issued within one calendar year before a general reissuance of plates under subdivision 1.~~ Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Sec. 5. [168.123] [VETERANS; SPECIAL LICENSE PLATE.]

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] The registrar shall issue special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States, was discharged under honorable conditions, and is an owner or joint owner of a motor vehicle included within the definition of a passenger automobile, on payment of a fee of \$10 for each set of two plates, payment of the registration tax required by law, and compliance with other laws relating to registration and licensing of motor vehicles and drivers. The additional fee of \$10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued more than two sets of plates for vehicles owned or jointly owned by the applicant.

The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application.

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the

special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

Subd. 3. [NUMBER ESTIMATED.] The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Subd. 4. [PLATE TRANSFERS.] On payment of a fee of \$5, plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the person to whom the plates were issued.

Subd. 5. [FEES CREDITED.] Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Subd. 6. [RULES.] The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this section.

Sec. 6. Minnesota Statutes 1986, section 168.125, is amended to read:

168.125 [SPECIAL LICENSE PLATES FOR FORMER PRISONERS OF WAR.]

Subdivision 1. [SPECIAL PLATES; APPLICATION; FEE; TRANSFER ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time of renewal or first application for registration. The application shall include a certification by the commissioner of veterans affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay, in addition to the registration tax required by law, a fee of \$10 for the special license plates issued under this section, in an amount calculated by the commissioner to cover the cost of the license plates. The additional fee is payable only

when the plates are issued and no additional fee is payable in any year in which tabs or stickers are issued in lieu of number plates. All fees from the sale of the special license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon the payment of a fee of \$5. This fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

For purposes of this section, "motor vehicle" means a passenger automobile, station wagon, pickup truck, motorcycle, or recreational vehicle.

Subd. 2. [SPECIAL PLATE PLATES; EX-POW AND HANDICAPPED INSIGNIA.] The registrar shall issue special license plates bearing both the "EX-POW" and handicapped insignia to any applicant who is entitled to the special license plates provided under this section and who is also entitled to special license plates for the physically handicapped under section 168.021 upon compliance with the provisions of both sections. The special license plates shall be of a design and size to be determined by the commissioner.

Subd. 3. [RULES; COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety may promulgate by rule, in accordance with the provisions of chapter 15 14, the procedures for issuance or transfer of the special license plates authorized under this section.

Subd. 4. [RULES; COMMISSIONER OF VETERANS AFFAIRS.] The commissioner of veterans affairs shall promulgate by rule, in accordance with the provisions of chapter 14, establish the procedure for obtaining the certification of former prisoner of war status.

Subd. 5. [SAVINGS PROVISION.] Nothing in this section shall alter the exemption for disabled war veterans provided for in section 168.031.

Sec. 7. [168.1261] [LIMOUSINE; LICENSE PLATES.]

Subdivision 1. [UNIQUE REGISTRATION CATEGORY.] A unique vehicle registration category is established for limousines as defined in section 1.

Subd. 2. [LICENSE PLATES.] The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers. The appli-

cant must provide the registrar with proof that the passenger automobile license tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine. Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

Sec. 8. Minnesota Statutes 1986, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) ~~were~~ are required to satisfy prescription needs of the driver of the vehicle ~~and if~~ and if the driver is in possession of ~~such~~ such the prescription; or

(c) ~~were~~ are applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29, ~~or to~~;

(2) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28, ~~or~~;

(3) the side and rear windows of any a vehicle used to transport human remains by a funeral establishments establishment holding a permit under the provisions of section 149.08; or

(4) the side and rear windows of a limousine as defined in section 1.

Sec. 9. [TRANSITION.]

Passenger automobile license plates issued under Minnesota Statutes, section 168.12, subdivision 1, paragraph (3), before the effective date of this section must be replaced during the sixth year after they were issued.

Sec. 10. [APPROPRIATION.]

\$108,500 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the purpose of implementing sections 1 to 9.

Sec. 11. [REPEALER.]

Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 2, 3, and 9 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for replacement of passenger automobile plates every six years; providing for fees for personalized license plates; providing for license plate replacement fees; authorizing special license plates for Pearl Harbor survivors and Vietnam-era veterans; providing for fees for Ex-POW license plates; providing for special license plates for limousines; appropriating money; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.12, subdivisions 1, 2a, and 5; 168.125; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 89, 926, 1164, 1403, 1821, 1890, 1953, 2151, 2238, 2245, 2306, 2400, 2429 and 2605 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2367, 2358, 2264, 1607, 2134, 1717, 1713 and 63 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

DeRaad introduced:

H. F. No. 2780, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Olsen, S.; Anderson, R.; Burger; Ozment and Tompkins introduced:

H. F. No. 2781, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Frerichs, Sviggum and Redalen introduced:

H. F. No. 2782, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

The bill was read for the first time and referred to the Committee on Taxes.

Price; Carlson, L.; Haukoos; Boo and Jaros introduced:

H. F. No. 2783, A bill for an act relating to education; establishing a legislative commission on higher education; defining duties; specifying membership; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Higher Education.

Tjornhom, Heap and Shaver introduced:

H. F. No. 2784, A bill for an act relating to elections; allowing the spouse of a voter in need of assistance to help without taking an oath of eligibility; amending Minnesota Statutes 1986, section 204C.15, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

HOUSE ADVISORIES

The following House Advisories were introduced:

Solberg, Orenstein, Kelly, Wagenius and Seaberg introduced:

H. A. No. 69, A proposal to study human rights complaints based on comparable worth decisions.

The advisory was referred to the Committee on Governmental Operations.

Kalis introduced:

H. A. No. 70, A proposal to study the feasibility and desirability of granting powers to counties to establish economic development authorities.

The advisory was referred to the Committee on Economic Development and Housing.

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. 1766, A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

H. F. No. 1816, A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

H. F. No. 1926, A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

H. F. No. 2056, A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

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. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Minne moved that the House concur in the Senate amendments to H. F. No. 2045 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dille	Kalis	Minne	Peterson
Bauerly	Dorn	Kelly	Morrison	Poppenhagen
Beard	Forsythe	Kinkel	Murphy	Price
Begich	Frederick	Kludt	Nelson, C.	Quinn
Bennett	Greenfield	Knickerbocker	Nelson, D.	Quist
Bertram	Gruenes	Knuth	Nelson, K.	Redalen
Bishop	Hartle	Kostohryz	O'Connor	Reding
Blatz	Haukoos	Krueger	Ogren	Rest
Boo	Heap	Larsen	Olsen, S.	Rice
Brown	Himle	Lasley	Olson, E.	Richter
Burger	Hugoson	Lieder	Olson, K.	Riveness
Carlson, L.	Jacobs	Long	Omman	Rodosovich
Carruthers	Jaros	Marsh	Onnen	Rose
Clausnitzer	Jefferson	McEachern	Orenstein	Rukavina
Cooper	Jensen	McKasy	Osthoff	Sarna
Dauner	Johnson, A.	McLaughlin	Otis	Schafer
Dawkins	Johnson, R.	McPherson	Pappas	Scheid
Dempsey	Johnson, V.	Milbert	Pauly	Schreiber
DeRaad	Kahn	Miller	Pelowski	Seaberg

Segal	Stanius	Tompkins	Vellenga	Wenzel
Simoneau	Steensma	Trimble	Voss	Winter
Skoglund	Svigum	Tunheim	Wagenius	Wynia
Solberg	Swenson	Uphus	Waltman	Spk. Vanasek
Sparby	Thiede	Valento	Welle	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 1740 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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	Haukoos	Kelso	McLaughlin
Battaglia	Clausnitzer	Heap	Kinkel	McPherson
Bauerly	Cooper	Himle	Kludt	Milbert
Beard	Dauner	Hugoson	Knickerbocker	Miller
Begich	Dawkins	Jacobs	Knuth	Minne
Bennett	DeBlieck	Jaros	Kostohryz	Morrison
Bertram	Dempsey	Jennings	Krueger	Munger
Bishop	DeRaad	Jensen	Larsen	Murphy
Blatz	Dille	Johnson, A.	Lasley	Nelson, C.
Boo	Dorn	Johnson, R.	Lieder	Nelson, D.
Brown	Forsythe	Johnson, V.	Long	Nelson, K.
Burger	Frederick	Kahn	Marsh	O'Connor
Carlson, L.	Gruenes	Kalis	McEachern	Ogren
Carruthers	Hartle	Kelly	McKasy	Olsen, S.

Olson, E.	Peterson	Rose	Solberg	Vellenga
Olson, K.	Poppenhagen	Rukavina	Sparby	Voss
Omann	Price	Sarna	Stanius	Wagenius
Onnen	Quinn	Schafer	Steensma	Waltman
Orenstein	Redalen	Scheid	Sviggum	Welle
Osthoff	Reding	Schreiber	Swenson	Wenzel
Otis	Rest	Seaberg	Tompkins	Winter
Ozment	Rice	Segal	Trimble	Wynia
Pappas	Richter	Shaver	Tunheim	Spk. Vanasek
Pauly	Riveness	Simoneau	Uphus	
Pelowski	Rodosovich	Skoglund	Valento	

The bill was repassed, as amended by the Senate, and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. Nos. 1796 and 1865 and S. F. Nos. 678 and 852.

H. F. No. 1796 was reported to the House.

Bauerly, Rest, Voss, Lieder and Beard moved to amend H. F. No. 1796, the second engrossment, as follows:

Page 2, after line 8, insert:

“(c) ‘‘Commissioner’’ means the commissioner of trade and economic development.”

Page 2, line 9, delete “(c)” and insert “(d)”

Page 2, line 11, delete “(d)” and insert “(e)”

Page 2, line 14, delete “(e)” and insert “(f)”

Page 2, line 23, delete “(f)” and insert “(g)”

Page 3, line 35, after the period insert “The county must submit the capital improvement plan to the community development division of the department of trade and economic development. The plan is not effective if the commissioner disapproves the plan within 90 days after it was submitted. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved and effective. The commissioner shall disapprove a capital improvement plan only if the commissioner determines (1) that the planned improvements cannot be financed within the limits specified in subdivision 4, or (2) the county in preparing the plan did not consider the factors listed in subdivision 3 or failed to gather the

information necessary to evaluate the plan under the factors, or (3) the proposed improvements will result in unnecessary duplication of public facilities provided by other units of government in the region or there is insufficient demand for the facility. If the plan is disapproved by the commissioner and the county board does not withdraw the plan, the capital improvement plan must be submitted to the voters for approval. If a majority of the voters approve, the plan is approved and effective."

A roll call was requested and properly seconded.

The question was taken on the Bauerly et al amendment and the roll was called. There were 83 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Lasley	Pappas	Stanius
Battaglia	Jaros	Lieder	Pelowski	Steenma
Bauerly	Jefferson	Long	Peterson	Swenson
Beard	Jensen	McEachern	Price	Tompkins
Begich	Johnson, A.	McKasy	Quinn	Trimble
Bertram	Johnson, R.	McLaughlin	Reding	Tunheim
Brown	Johnson, V.	Milbert	Rest	Uphus
Carlson, L.	Kahn	Minne	Rice	Vellenga
Carruthers	Kalis	Munger	Riveness	Voss
Clark	Kelly	Murphy	Rodosovich	Wagenius
Cooper	Kelso	Nelson, C.	Rukavina	Welle
Dauner	Kinkel	Nelson, D.	Sarna	Wenzel
Dawkins	Kludt	Nelson, K.	Seaberg	Winter
DeBlick	Knuth	Ogren	Segal	Wynia
Dorn	Kostohryz	Olson, K.	Simoneau	Spk. Vanasek
Greenfield	Krueger	Orenstein	Skoglund	
Gruenes	Larsen	Otis	Sparby	

Those who voted in the negative were:

Anderson, R.	Dille	Knickerbocker	Omann	Schafer
Bennett	Frederick	Marsh	Onnen	Scheid
Bishop	Frerichs	McDonald	Osthoff	Schreiber
Blatz	Gutknecht	McPherson	Pauly	Shaver
Boo	Haukoos	Miller	Poppenhagen	Solberg
Burger	Heap	Neuenschwander	Quist	Sviggunn
Clausnitzer	Himle	O'Connor	Redalen	Thiede
Dempsey	Hugoson	Olsen, S.	Richter	Tjornhom
DeRaad	Jennings	Olson, E.	Rose	Valento
				Waltman

The motion prevailed and the amendment was adopted.

Thiede moved to amend H. F. No. 1796, the second engrossment, as amended, as follows:

Page 2, line 29, delete "three-fifths of the members"

Page 2, delete line 30

Page 2, line 31, delete “bonds must be approved by vote of at least”

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called. There were 44 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Hugoson	Onnen	Seaberg
Bennett	Frederick	Jennings	Ozment	Shaver
Bishop	Frerichs	Knickerbocker	Pauly	Stanius
Blatz	Gruenes	Marsh	Poppenhagen	Sviggum
Boo	Gutknecht	McDonald	Quist	Swenson
Burger	Hartle	McKasy	Redalen	Thiede
Dempsey	Haukoos	McPherson	Rose	Tjornhom
DeRaad	Heap	Olsen, S.	Schafer	Valento
Dille	Himle	Omann	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jaros	Lieder	Orenstein	Skoglund
Battaglia	Jefferson	Long	Osthoff	Solberg
Bauerly	Jensen	McEachern	Otis	Sparby
Beard	Johnson, A.	McLaughlin	Pappas	Steensma
Begich	Johnson, R.	Milbert	Pelowski	Trimble
Bertram	Johnson, V.	Minne	Peterson	Tunheim
Brown	Kahn	Morrison	Price	Uphus
Carlson, L.	Kalis	Munger	Reding	Vellenga
Carruthers	Kelly	Murphy	Rest	Voss
Clark	Kelso	Nelson, C.	Rice	Wagenius
Cooper	Kinkel	Nelson, D.	Riveness	Waltman
Dauner	Kludt	Nelson, K.	Rodosovich	Welle
Dawkins	Knuth	Neuenschwander	Rukavina	Wenzel
DeBleick	Kostohryz	O'Connor	Sarna	Winter
Dorn	Krueger	Ogren	Scheid	Wynia
Greenfield	Larsen	Olson, E.	Segal	Spk. Vanasek
Jacobs	Lasley	Olson, K.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Knickerbocker and Tjornhom moved to amend H. F. No. 1796, the second engrossment, as amended, as follows:

Page 2, line 8, after “qualify.” insert ““Capital improvement” does not include light rail transit or any activity related to it.”

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker and Tjornhom amendment and the roll was called. There were 73 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Kludt	O'Connor	Seaberg
Battaglia	Frederick	Knickerbocker	Omann	Shaver
Bennett	Frerichs	Kostohryz	Onnen	Stanius
Bishop	Gruenes	Krueger	Ozment	Steensma
Blatz	Gutknecht	Long	Pauly	Sviggum
Boo	Hartle	Marsh	Poppenhagen	Swenson
Burger	Haukoos	McDonald	Price	Thiede
Carlson, L.	Heap	McEachern	Quist	Tjornhom
Clausnitzer	Himle	McKasy	Redalen	Tompkins
Cooper	Hugoson	McPherson	Reding	Uphus
Dawkins	Jennings	Miller	Rest	Valento
Dempsey	Johnson, A.	Morrison	Richter	Waltman
DeRaad	Johnson, R.	Murphy	Rose	Wenzel
Dille	Kahn	Nelson, C.	Schafer	
Dorn	Kelso	Neuenschwander	Schreiber	

Those who voted in the negative were:

Bauerly	Johnson, V.	Minne	Pelowski	Trimble
Beard	Kalis	Nelson, D.	Peterson	Tunheim
Begich	Kelly	Nelson, K.	Quinn	Vellenga
Bertram	Kinkel	Olsen, S.	Sarna	Voss
Brown	Knuth	Olson, E.	Scheid	Welle
Carruthers	Larsen	Olson, K.	Segal	Winter
Dauner	Lasley	Orenstein	Simoneau	Wynia
DeBleck	Lieder	Osthoff	Skoglund	Spk. Vanasek
Jacobs	McLaughlin	Otis	Solberg	
Jefferson	Milbert	Pappas	Sparby	

The motion prevailed and the amendment was adopted.

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

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 42 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dorn	Kelly	McLaughlin	Omann
Bauerly	Greenfield	Kelso	Milbert	Orenstein
Beard	Gruenes	Kinkel	Minne	Otis
Begich	Hugoson	Kludt	Morrison	Ozment
Bertram	Jacobs	Knuth	Munger	Pappas
Brown	Jaros	Kostohryz	Murphy	Peterson
Carlson, L.	Jefferson	Krueger	Nelson, C.	Price
Carruthers	Jensen	Larsen	Nelson, D.	Quinn
Cooper	Johnson, A.	Lasley	Nelson, K.	Reding
Dauner	Johnson, R.	Lieder	Neuenschwander	Rest
Dawkins	Johnson, V.	Long	O'Connor	Rice
DeBleck	Kahn	McEachern	Ogner	Riveness
Dille	Kalis	McKasy	Olson, E.	Rodosovich

Rukavina	Simoneau	Swenson	Vellenga	Winter
Sarna	Skoglund	Tompkins	Voss	Wynia
Seaberg	Solberg	Trimble	Wagenius	Spk. Vanasek
Segal	Sparby	Tunheim	Welle	
Shaver	Steensma	Uphus	Wenzel	

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Pauly	Stanius
Bennett	Frederick	Marsh	Pelowski	Sviggum
Bishop	Frerichs	McDonald	Poppenhagen	Thiede
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boo	Hartle	Miller	Redalen	Valento
Burger	Haukoos	Olsen, S.	Richter	Waltman
Clausnitzer	Heap	Olson, K.	Rose	
Dempsey	Himle	Onnen	Scheid	
DeRaad	Jennings	Osthoff	Schreiber	

The bill was passed, as amended, and its title agreed to.

H. F. No. 1865, A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Onnen	Seaberg
Anderson, R.	Gruenes	Lasley	Orenstein	Segal
Battaglia	Gutknecht	Lieder	Osthoff	Shaver
Bauerly	Hartle	Long	Otis	Simoneau
Beard	Haukoos	Marsh	Ozment	Skoglund
Begich	Heap	McDonald	Pappas	Solberg
Bennett	Himle	McEachern	Pauly	Sparby
Bertram	Hugoson	McKasy	Pelowski	Stanius
Bishop	Jacobs	McLaughlin	Peterson	Steensma
Blatz	Jaros	McPherson	Poppenhagen	Sviggum
Brown	Jefferson	Milbert	Price	Swenson
Burger	Jennings	Miller	Quinn	Thiede
Carlson, L.	Jensen	Minne	Quist	Tjornhom
Carruthers	Johnson, A.	Morrison	Redalen	Tompkins
Clausnitzer	Johnson, R.	Munger	Reding	Trimble
Cooper	Johnson, V.	Murphy	Rest	Tunheim
Dauner	Kahn	Nelson, C.	Rice	Uphus
Dawkins	Kalis	Nelson, D.	Richter	Valento
DeBlieck	Kelly	Nelson, K.	Riveness	Vellenga
Dempsey	Kinkel	Neuenschwander	Rodosovich	Voss
DeRaad	Kludt	O'Connor	Rose	Wagenius
Dille	Knickerbocker	Ogren	Rukavina	Waltman
Dorn	Knuth	Olsen, S.	Sarna	Welle
Forsythe	Kostohryz	Olson, E.	Schafer	Wenzel
Frederick	Krueger	Omamm	Schreiber	Winter
				Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 678, A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.

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 4 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Orenstein	Skoglund
Anderson, R.	Gruenes	Lasley	Otis	Solberg
Battaglia	Gutknecht	Lieder	Ozment	Sparby
Bauerly	Hartle	Long	Pappas	Stanius
Beard	Haukoos	Marsh	Pauly	Steensma
Begich	Heap	McDonald	Pelowski	Sviggum
Bennett	Himle	McKasy	Peterson	Swenson
Bertram	Hugoson	McLaughlin	Price	Thiede
Bishop	Jacobs	McPherson	Quinn	Tjornhom
Blatz	Jaros	Milbert	Quist	Tompkins
Boo	Jefferson	Miller	Redalen	Trimble
Brown	Jennings	Minne	Reding	Tunheim
Burger	Jensen	Morrison	Rest	Uphus
Carlson, L.	Johnson, A.	Munger	Rice	Vellenga
Carruthers	Johnson, R.	Murphy	Richter	Voss
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Wagenius
Cooper	Kalis	Nelson, D.	Rodosovich	Waltman
Dauner	Kelly	Nelson, K.	Rose	Welle
Dawkins	Kelso	Neuenschwander	Rukavina	Wenzel
DeBleck	Kinkel	O'Connor	Sarna	Winter
Dempsey	Kludt	Ogren	Schafer	Wynia
DeRaad	Knickerbocker	Olsen, S.	Seaberg	Spk. Vanasek
Dille	Knuth	Olson, E.	Segal	
Dorn	Kostohryz	Omann	Shaver	
Forsythe	Krueger	Onnen	Simoneau	

Those who voted in the negative were:

Osthoff	Scheid	Schreiber	Valento
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The bill was passed and its title agreed to.

S. F. No. 852, A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

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.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Greenfield	Larsen	Orenstein	Shaver
Battaglia	Gruenes	Lasley	Osthoff	Simoneau
Bauerly	Gutknecht	Lieder	Ozment	Skoglund
Beard	Hartle	Long	Pappas	Solberg
Begich	Haukoos	Marsh	Pauly	Sparby
Bennett	Heap	McDonald	Pelowski	Stanius
Bertram	Himle	McEachern	Peterson	Steensma
Bishop	Hugoson	McKasy	Poppenhagen	Sviggum
Blatz	Jacobs	McLaughlin	Price	Swenson
Boo	Jaros	McPherson	Quinn	Thiede
Brown	Jefferson	Milbert	Quist	Tjornhom
Burger	Jennings	Miller	Redalen	Tompkins
Carlson, L.	Jensen	Minne	Reding	Trimble
Carruthers	Johnson, A.	Morrison	Rest	Tunheim
Clark	Johnson, R.	Munger	Rice	Uphus
Clausnitzer	Johnson, V.	Murphy	Richter	Valento
Cooper	Kahn	Nelson, C.	Riveness	Vellenga
Dauner	Kalis	Nelson, D.	Rodosovich	Voss
Dawkins	Kelly	Nelson, K.	Rose	Wagenius
DeBlieck	Kelso	Neuenschwander	Rukavina	Waltman
Dempsey	Kinkel	O'Connor	Sarna	Welle
DeRaad	Kludt	Ogren	Schafer	Wenzel
Dille	Knickerbocker	Olsen, S.	Scheid	Winter
Dorn	Knuth	Olsen, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	

The bill was passed and its title agreed to.

MOTIONS FOR RECONSIDERATION

O'Connor moved that the vote whereby H. F. No. 453 was passed on Thursday, March 17, 1988, be now reconsidered. The motion prevailed.

O'Connor moved that the action whereby H. F. No. 453 was given its third reading on Thursday, March 17, 1988, be now reconsidered. The motion prevailed.

H. F. No. 453 was reported to the House.

Simoneau moved to amend H. F. No. 453, the second engrossment, as follows:

Page 2, after line 36, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 352.116, is amended by adding a subdivision to read:

Subd. 2a. [NORMAL RETIREMENT UNDER THE RULE OF 90.]

Any person whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in section 352.115, without any reduction in the amount of the annuity by reason of the early retirement.

Sec. 3. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Except as provided in clause (4), where any member retires prior to age 65 under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit,

the reduction shall be applied only for each month which the member is under age 62.

(4) Any member whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in clauses (1) and (2) without any reduction in the amount of the annuity by reason of early retirement.

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, section 354.44, subdivision 6; Minnesota Statutes 1987 Supplement, section 352.116, by adding a subdivision;"

A roll call was requested and properly seconded.

Sviggum moved to amend the Simoneau amendment to H. F. No. 453, the second engrossment, as follows:

Page 1, after line 11, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~3.73~~ 3.88 percent of salary, beginning with the first full pay period after June 30, 1984 1988. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 4. Minnesota Statutes 1987 Supplement, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund must be equal to ~~3.90~~ 4.05 percent of salary beginning with the first full pay period after June 30, 1984 1988.

Sec. 5. Minnesota Statutes 1986, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to ~~4½~~ 4.74 percent of the salary of every coordinated member and ~~8½~~ 8.74 percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds,

such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 6. Minnesota Statutes 1986, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund shall be an amount equal to $4\frac{1}{2}$ 4.74 percent of the salary of each coordinated member and $8\frac{1}{2}$ 8.74 percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division, employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, shall be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3."

Renumber the remaining section in sequence

Page 2, line 36, after the semicolon insert "increasing employer and employee contributions to pay the cost;"

Page 2, line 36, delete "section" and insert "sections 354.42, subdivisions 2 and 3; and"

Page 3, line 1, delete "section" and insert "sections 352.04, subdivisions 2 and 3; and"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 18 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	McDonald	Rodosovich	Swenson	Waltman
Burger	McPherson	Sarna	Thiede	Welle
Frerichs	Redalen	Schafer	Uphus	
Himle	Richter	Sviggum	Valento	

Those who voted in the negative were:

Anderson, R.	Blatz	Cooper	Dorn	Heap
Battaglia	Boo	Dauner	Forsythe	Hugoson
Bauerly	Brown	Dawkins	Frederick	Jacobs
Begich	Carlson, D.	DeBlieck	Greenfield	Jaros
Bennett	Carlson, L.	Dempsey	Gruenes	Jefferson
Bertram	Carruthers	DeRaad	Gutknecht	Jensen
Bishop	Clark	Dille	Hartle	Johnson, A.

Johnson, R.	Marsh	Ogren	Quinn	Stanisus
Kahn	McEachern	Olsen, S.	Quist	Steensma
Kalis	McKasy	Olson, E.	Reding	Tjornhom
Kelly	McLaughlin	Olson, K.	Rest	Tompkins
Kelso	Milbert	Omman	Rice	Trimble
Kinkel	Miller	Onnen	Riveness	Tunheim
Kludt	Minne	Orenstein	Rukavina	Vellenga
Knickerbocker	Morrison	Osthoff	Scheid	Voss
Knuth	Munger	Otis	Seaberg	Wagenius
Kostohryz	Murphy	Ozment	Segal	Wenzel
Krueger	Nelson, C.	Pappas	Shaver	Winter
Larsen	Nelson, D.	Pauly	Simoneau	Wynia
Lasley	Nelson, K.	Pelowski	Skoglund	Spk. Vanasek
Lieder	Neuenschwander	Peterson	Solberg	
Long	O'Connor	Price	Sparby	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Simoneau amendment and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanisus
Bertram	Heap	McEachern	Pelowski	Steensma
Bishop	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Vellenga
Cooper	Kahn	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBlieck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kinkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omman	Seaberg	

The motion prevailed and the amendment was adopted.

Greenfield moved to amend H. F. No. 453, the second engrossment, as amended by the Simoneau amendment, as follows:

Page 4, after line 19 insert:

"Sec. 4. Minnesota Statutes 1986, section 354A.23, is amended by adding a subdivision to read:

Subd. 4. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Notwithstanding section 354A.12, subdivision 4, or anything to the contrary in the articles or bylaws of the Minneapolis teachers retirement fund association, any basic member of that association whose age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application, to a normal retirement annuity provided in the articles and bylaws without any reduction in the amount of the annuity by reason of early retirement.

Sec. 5. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Except as provided in subdivision 7, upon retirement at an age prior to age 65 with five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 6. Minnesota Statutes 1986, section 354A.31, is amended by adding a subdivision to read:

Subd. 7. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Notwithstanding section 354A.12, subdivision 4, or any charter or bylaw provision of the Minneapolis teachers retirement fund association to the contrary, any coordinated member of that association whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in subdivision 4 without any reduction in the amount of the annuity by reason of early retirement.

Sec. 7. [MINNEAPOLIS TEACHERS PARTICIPATING ANNUITY; EXTENSION TO CERTAIN RETIREES.]

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 to permit annual participating annuity adjustments under article IX, subsection (19), to be applied, effective January 1, 1989, to minimum normal retirement annuities payable to eligible recipients under

article IX, subsection (14), as amended pursuant to Laws 1987, chapter 372, article 3, section 1, paragraph (f).

Sec. 8. [EFFECTIVE DATE.]

Sections 4 to 6 are effective July 1, 1988. Section 7 is effective the day after final enactment."

Renumber the sections in order

Correct the cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Heap offered an amendment to H. F. No. 453, the second engrossment, as amended.

Pursuant to Article IV, Section 23 of the Constitution of the State of Minnesota, the Speaker ruled the amendment out of order.

H. F. No. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, section 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dempsey	Haukoos	Kalis
Anderson, R.	Burger	DeRaad	Hugoson	Kelly
Battaglia	Carlson, D.	Dille	Jacobs	Kelso
Bauerly	Carlson, L.	Dorn	Jaros	Kinkel
Beard	Carruthers	Forsythe	Jefferson	Kludt
Begich	Clark	Frederick	Jennings	Knickerbocker
Bennett	Clausnitzer	Frerichs	Jensen	Knuth
Bertram	Cooper	Greenfield	Johnson, A.	Kostohryz
Bishop	Dauner	Gruenes	Johnson, R.	Krueger
Blatz	Dawkins	Gutknecht	Johnson, V.	Larsen
Boo	DeBlieck	Hartle	Kahn	Lasley

Lieder	Nelson, K.	Peterson	Schafer	Tjornhom
Long	Neuenschwander	Poppenhagen	Scheid	Tompkins
Marsh	O'Connor	Price	Schreiber	Trimble
McEachern	Ogren	Quinn	Seaberg	Tunheim
McKasy	Olsen, S.	Quist	Segal	Uphus
McLaughlin	Olson, E.	Redalen	Shaver	Vellenga
McPherson	Olson, K.	Reding	Simoneau	Voss
Milbert	Omann	Rest	Skoglund	Wagenius
Miller	Onnen	Rice	Solberg	Waltman
Minne	Orenstein	Richter	Sparby	Welle
Morrison	Osthoff	Riveness	Stanius	Wenzel
Munger	Otis	Rodosovich	Steensma	Winter
Murphy	Ozment	Rose	Sviggunn	Wynia
Nelson, C.	Pappas	Rukavina	Swenson	Spk. Vanasek
Nelson, D.	Pelowski	Sarna	Thiede	

The bill was passed, as amended, and its title agreed to.

SPECIAL ORDERS

H. F. No. 2115 was reported to the House.

McLaughlin moved that H. F. No. 2115 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Cooper	Hugoson	Larsen	Olsen, S.
Anderson, R.	Dauner	Jacobs	Lieder	Olson, E.
Battaglia	Dawkins	Jaros	Marsh	Olson, K.
Bauerly	DeBlick	Jefferson	McDonald	Omann
Beard	Dempsey	Jennings	McEachern	Onnen
Begich	DeRaad	Jensen	McKasy	Orenstein
Bennett	Dille	Johnson, A.	McLaughlin	Osthoff
Bertram	Dorn	Johnson, R.	McPherson	Otis
Bishop	Forsythe	Johnson, V.	Milbert	Ozment
Blatz	Frederick	Kalis	Miller	Pappas
Boo	Frerichs	Kelly	Minne	Pauly
Brown	Greenfield	Kelso	Morrison	Pelowski
Burger	Gruenes	Kinkel	Murphy	Peterson
Carlson, D.	Gutknecht	Kludd	Nelson, C.	Poppenhagen
Carlson, L.	Hartle	Knickerbocker	Nelson, D.	Price
Carruthers	Haukoos	Knuth	Neuenschwander	Quinn
Clark	Heap	Kostohryz	O'Connor	Quist
Clausnitzer	Himle	Krueger	Ogren	Redalen

Reding	Sarna	Skoglund	Tjornhom	Wagenius
Rest	Schafer	Solberg	Tompkins	Waltman
Rice	Scheid	Sparby	Trimble	Welle
Richter	Schreiber	Stanius	Tunheim	Wenzel
Riveness	Seaberg	Steensma	Uphus	Winter
Rodosovich	Segal	Sviggum	Valento	Wynia
Rose	Shaver	Swenson	Vellenga	Spk. Vanasek
Rukavina	Simoneau	Thiede	Voss	

Those who voted in the negative were:

Nelson, K.

The bill was passed and its title agreed to.

H. F. No. 2441 was reported to the House.

Kelso moved that H. F. No. 2441 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2524, A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

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.	Dorn	Kinkel	Neuenschwander	Rodosovich
Anderson, R.	Forsythe	Kludt	O'Connor	Rose
Battaglia	Frederick	Knickerbocker	Ogren	Rukavina
Bauerly	Frerichs	Knuth	Olsen, S.	Sarna
Beard	Greenfield	Kostohryz	Olson, E.	Schafer
Begich	Gruenes	Krueger	Olson, K.	Scheid
Bennett	Gutknecht	Larsen	Omami	Schreiber
Bertram	Hartle	Lasley	Onnen	Seaberg
Bishop	Haukoos	Lieder	Orenstein	Segal
Blatz	Heap	Long	Otis	Shaver
Boo	Himle	Marsh	Ozment	Simoneau
Brown	Hugoson	McDonald	Pappas	Skoglund
Burger	Jacobs	McEachern	Pauly	Solberg
Carlson, D.	Jaros	McKasy	Pelowski	Stanius
Carlson, L.	Jefferson	McLaughlin	Peterson	Steensma
Carruthers	Jennings	McPherson	Poppenhagen	Sviggum
Clark	Jensen	Milbert	Price	Swenson
Clausnitzer	Johnson, A.	Minne	Quinn	Thiede
Cooper	Johnson, R.	Morrison	Quist	Tjornhom
Dawkins	Johnson, V.	Munger	Redalen	Tompkins
DeBlieck	Kahn	Murphy	Reding	Trimble
Dempsey	Kalis	Nelson, C.	Rest	Tunheim
DeRaad	Kelly	Nelson, D.	Rice	Uphus
Dille	Kelso	Nelson, K.	Richter	Valento

Vellenga
Voss

Wagenius
Waltman

Welle
Wenzel

Winter
Wynia

Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1794 was reported to the House.

DeBlieck moved that H. F. No. 1794 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1971 was reported to the House.

Gruenes and Vellenga moved to amend H. F. No. 1971, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 525.54, subdivision 1, is amended to read:

Subdivision 1. [ADULTS SUBJECT TO GUARDIANSHIP AND CONSERVATORSHIP.] Upon petition as provided in this chapter, the court, if satisfied of the need therefor, may appoint one or ~~two~~ more persons suitable and competent to discharge the trust as guardians of the person or estate or of both or as conservators of the person or the estate or of both, of any incapacitated person.

Sec. 2. Minnesota Statutes 1986, section 525.544, subdivision 2, is amended to read:

Subd. 2. [OTHER CASES.] If the proposed ward or conservatee lacks capacity or fails to nominate a conservator or guardian, the court may appoint a qualified person if the court finds that the person's appointment is in the best interests of the proposed ward or conservatee. A proposed guardian or conservator need not reside in this state if the proposed guardian or conservator is able to maintain a current understanding of the ward's or conservatee's physical and mental status and needs. If the proposed ward or conservatee lacks capacity or fails to give instructions, the court may give the guardian or conservator powers as required in accordance with section 525.56.”

Amend the title as follows:

Page 1, delete lines 5 and 6 and insert “Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.”

The motion prevailed and the amendment was adopted.

H. F. No. 1971, A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Onnen	Seaberg
Anderson, R.	Frederick	Larsen	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Shaver
Bauerly	Gruenes	Lieder	Otis	Simoneau
Beard	Gutknecht	Marsh	Ozment	Skoglund
Begich	Hartle	McDonald	Pappas	Solberg
Bennett	Haukoos	McEachern	Pauly	Sparby
Bertram	Heap	McKasy	Pelowski	Stanius
Bishop	Himle	McLaughlin	Peterson	Steensma
Blatz	Hugoson	McPherson	Poppenhagen	Sviggum
Boo	Jacobs	Milbert	Price	Swenson
Brown	Jaros	Miller	Quinn	Thiede
Burger	Jefferson	Minne	Quist	Tjornhom
Carlson, D.	Jennings	Morrison	Redalen	Tompkins
Carlson, L.	Jensen	Munger	Reding	Trimble
Carruthers	Johnson, A.	Murphy	Rest	Tunheim
Clark	Johnson, R.	Nelson, C.	Rice	Uphus
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Valento
Cooper	Kalis	Nelson, K.	Riveness	Vellenga
Dauner	Kelly	Neuenschwander	Rodosovich	Voss
Dawkins	Kelso	O'Connor	Rose	Wagenius
DeBlieck	Kinkel	Ogren	Rukavina	Waltman
Dempsey	Kludt	Olsen, S.	Sarna	Welle
DeRaad	Knickerbocker	Olson, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1983, A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

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 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Omann	Schreiber
Anderson, R.	Frederick	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Shaver
Beard	Gutknecht	Long	Otis	Simoneau
Begich	Hartle	Marsh	Ozment	Skoglund
Bennett	Haukoos	McDonald	Pappas	Solberg
Bertram	Heap	McEachern	Pauly	Sparby
Bishop	Hugoson	McKasy	Pelowski	Stanius
Blatz	Jacobs	McLaughlin	Peterson	Steensma
Boo	Jaros	McPherson	Poppenhagen	Sviggum
Brown	Jefferson	Milbert	Price	Thiede
Burger	Jennings	Miller	Quinn	Tjornhom
Carlson, D.	Jensen	Minne	Quist	Tompkins
Carlson, L.	Johnson, A.	Morrison	Redalen	Trimble
Carruthers	Johnson, R.	Munger	Reding	Tunheim
Clark	Johnson, V.	Murphy	Rest	Uphus
Clausnitzer	Kahn	Nelson, C.	Rice	Valento
Cooper	Kalis	Nelson, D.	Richter	Vellenga
Dauner	Kelly	Nelson, K.	Riveness	Voss
Dawkins	Kelso	Neuenschwander	Rodosovich	Wagenius
DeBlieck	Kinkel	O'Connor	Rose	Waltman
Dempsey	Kludt	Ogren	Rukavina	Welle
DeRaad	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dille	Knuth	Olson, E.	Schafer	Winter
Dorn	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Swenson

The bill was passed and its title agreed to.

H. F. No. 2185 was reported to the House.

Ozment moved to amend H. F. No. 2185, as follows:

Page 1, after line 13, insert:

“Sec. 2. Minnesota Statutes 1986, section 97B.811, is amended to read:

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.

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 lawful shooting hours for waterfowl.

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~~ lawful shooting hours 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.

Subd. 4. [DECOYS THAT ARE NAVIGATIONAL HAZARD PROHIBITED.] A person may not leave decoys in public waters between sunset and one hour before ~~sunrise~~ lawful shooting hours if the decoys constitute a navigational hazard."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "regulating placing decoys in public waters or on public lands;"

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, before the period, insert "; and 97B.811"

The motion prevailed and the amendment was adopted.

H. F. No. 2185, A bill for an act relating to game and fish; adjusting the height of deer stands; regulating placing decoys in public waters or on public lands; amending Minnesota Statutes 1986, sections 97B.325; and 97B.811.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Cooper	Forsythe	Heap
Anderson, R.	Blatz	Dauner	Frederick	Hugoson
Battaglia	Burger	Dawkins	Frerichs	Jacobs
Bauerly	Carlson, D.	DeBlicke	Greenfield	Jaros
Beard	Carlson, L.	Dempsey	Gruenes	Jefferson
Begich	Carruthers	DeRaad	Gutknecht	Jennings
Bennett	Clark	Dille	Hartle	Jensen
Bertram	Clausnitzer	Dorn	Haukoos	Johnson, R.

Johnson, V.	McKasy	Omann	Richter	Swenson
Kahn	McLaughlin	Onnen	Riveness	Thiede
Kalis	McPherson	Orenstein	Rodosovich	Tjornhom
Kelly	Milbert	Osthoff	Rose	Tompkins
Kelso	Miller	Otis	Rukavina	Trimble
Kinkel	Minne	Ozment	Sarna	Tunheim
Kludt	Morrison	Pappas	Scheid	Uphus
Knickerbocker	Munger	Pauly	Schreiber	Valento
Knuth	Murphy	Pelowski	Seaberg	Vellenga
Kostohryz	Nelson, C.	Peterson	Segal	Voss
Krueger	Nelson, D.	Poppenhagen	Shaver	Wagenius
Larsen	Nelson, K.	Price	Simoneau	Waltman
Lasley	Neuenschwander	Quinn	Skoglund	Welle
Lieder	O'Connor	Quist	Solberg	Wenzel
Long	Ogren	Redalen	Sparby	Winter
Marsh	Olsen, S.	Reding	Stanius	Wynia
McDonald	Olson, E.	Rest	Stenums	Spk. Vanasek
McEachern	Olson, K.	Rice	Sviggum	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2190, A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Onnen	Seaberg
Anderson, R.	Frederick	Larsen	Orenstein	Segal
Battaglia	Frerichs	Lasley	Osthoff	Shaver
Bauerly	Greenfield	Lieder	Otis	Simoneau
Beard	Gruenes	Long	Ozment	Skoglund
Begich	Gutknecht	Marsh	Pappas	Solberg
Bennett	Hartle	McDonald	Pauly	Sparby
Bertram	Haukoos	McEachern	Pelowski	Stanius
Bishop	Heap	McKasy	Peterson	Stenums
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Boo	Jacobs	McPherson	Price	Swenson
Brown	Jaros	Milbert	Quinn	Thiede
Burger	Jefferson	Miller	Quist	Tjornhom
Carlson, D.	Jennings	Minne	Redalen	Tompkins
Carlson, L.	Jensen	Morrison	Reding	Trimble
Carruthers	Johnson, R.	Munger	Rest	Tunheim
Clark	Johnson, V.	Murphy	Rice	Uphus
Clausnitzer	Kahn	Nelson, C.	Richter	Valento
Cooper	Kalis	Nelson, D.	Riveness	Vellenga
Dauner	Kelly	Nelson, K.	Rodosovich	Voss
Dawkins	Kelso	Neuenschwander	Rose	Wagenius
DeBlick	Kinkel	Ogren	Rukavina	Waltman
Dempsey	Kludt	Olsen, S.	Sarna	Welle
DeRaad	Knickerbocker	Olson, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omann	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

McDonald was excused for the remainder of today's session.

H. F. No. 2224, A bill for an act relating to landlord tenant law; providing an action for damages for accepting rent on condemned property; proposing coding for new law in Minnesota Statutes, chapter 504.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Ferichs	Larsen	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Long	Pappas	Sparby
Beard	Hartle	Marsh	Pauly	Stanius
Begich	Haukoos	McEachern	Pelowski	Steensma
Bennett	Heap	McKasy	Peterson	Sviggum
Bertram	Himle	McLaughlin	Poppenhagen	Swenson
Bishop	Hugoson	McPherson	Price	Thiede
Blatz	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jennings	Morrison	Reding	Tunheim
Carlson, L.	Jensen	Munger	Rest	Uphus
Carruthers	Johnson, A.	Murphy	Rice	Valento
Clark	Johnson, R.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kahn	Nelson, K.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlick	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olsen, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Osthoff	Simoneau
Anderson, R.	Frerichs	Lasley	Otis	Skoglund
Battaglia	Greenfield	Lieder	Ozment	Solberg
Bauerly	Gruenes	Long	Pappas	Sparby
Beard	Gutknecht	Marsh	Pauly	Stanius
Begich	Hartle	McEachern	Pelowski	Steensma
Bennett	Haukoos	McKasy	Peterson	Sviggum
Bertram	Heap	McLaughlin	Poppenhagen	Swenson
Bishop	Himle	McPherson	Price	Thiede
Blatz	Hugoson	Milbert	Quinn	Tjornhom
Boo	Jacobs	Miller	Quist	Tompkins
Brown	Jaros	Minne	Redalen	Trimble
Burger	Jefferson	Morrison	Reding	Tunheim
Carlson, D.	Jennings	Munger	Rest	Uphus
Carlson, L.	Jensen	Murphy	Rice	Valento
Carruthers	Johnson, A.	Nelson, C.	Richter	Vellenga
Clark	Johnson, R.	Nelson, D.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, K.	Rodosovich	Wagenius
Cooper	Kalis	Neuenschwander	Rose	Waltman
Dauner	Kelly	O'Connor	Rukavina	Welle
Dawkins	Kelso	Ogren	Sarna	Wenzel
DeBlieck	Kinkel	Olsen, S.	Schafer	Winter
Dempsey	Kludt	Olson, E.	Scheid	Wynia
DeRaad	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dille	Knuth	Omann	Seaberg	
Dorn	Kostohryz	Onnen	Segal	
Forsythe	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2419, A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gruenes	Kahn	McEachern
Anderson, R.	Clark	Gutknecht	Kalis	McKasy
Battaglia	Clausnitzer	Hartle	Kelly	McLaughlin
Bauerly	Cooper	Haukoos	Kelso	McPherson
Beard	Dauner	Heap	Kinkel	Milbert
Begich	Dawkins	Himle	Kludt	Miller
Bennett	DeBlieck	Hugoson	Knickerbocker	Minne
Bertram	Dempsey	Jacobs	Knuth	Morrison
Bishop	DeRaad	Jaros	Kostohryz	Murphy
Blatz	Dille	Jefferson	Krueger	Nelson, C.
Boo	Dorn	Jennings	Larsen	Nelson, D.
Brown	Forsythe	Jensen	Lasley	Nelson, K.
Burger	Frederick	Johnson, A.	Lieder	Neuenschwander
Carlson, D.	Frerichs	Johnson, R.	Long	O'Connor
Carlson, L.	Greenfield	Johnson, V.	Marsh	Ogren

Olsen, S.	Pelowski	Riveness	Simoneau	Tunheim
Olson, E.	Peterson	Rodosovich	Skoglund	Uphus
Olson, K.	Poppenhagen	Rose	Solberg	Valento
Omann	Price	Rukavina	Sparby	Vellenga
Onnen	Quinn	Sarna	Stanius	Wagenius
Orenstein	Quist	Schafer	Steensma	Waltman
Osthoff	Redalen	Scheid	Sviggum	Welle
Otis	Reding	Schreiber	Swenson	Wenzel
Ozment	Rest	Seaberg	Thiede	Winter
Pappas	Rice	Segal	Tjornhom	Wynia
Pauly	Richter	Shaver	Tompkins	Spk. Vanasek

The bill was passed and its title agreed to.

Gruenes was excused for the remainder of today's session.

H. F. No. 2422 was reported to the House.

Dempsey moved to amend H. F. No. 2422, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 323.24, is amended to read:

323.24 [NATURE OF A PARTNER'S RIGHT IN SPECIFIC PARTNERSHIP PROPERTY.]

A partner is coowner with the other partners of specific partnership property holding as a tenant in partnership.

The incidents of this tenancy are such that:

(1) A partner, subject to the provisions of this chapter and to any agreement between the partners, has an equal right with the other partners to possess specific partnership property for partnership purposes; but has no right to possess such property for any other purpose without the consent of the other partners;

(2) A partner's right in specific partnership property is not assignable except in connection with the assignment of the rights of all the partners in the same property;

(3) A partner's right in specific partnership property is not subject to attachment, garnishment or execution, except on a claim against the partnership; when partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws, except as specifically authorized under exemption laws;

(4) On the death of a partner that partner's right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when the deceased's right in such property vests in the deceased's legal representative; such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose; and

(5) A partner's right in specific partnership property is not subject to dower, curtesy, the statutory interest of a surviving spouse, or allowances to a surviving spouse, heirs or next of kin.

Sec. 2. Minnesota Statutes 1986, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding \$10,000 in value. When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemptions in this section, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Page 1, after line 17, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete "relating to civil process" and insert "relating to agriculture; clarifying certain exemptions"

Page 1, line 5, delete "section" and insert "sections 323.24; and"

Page 1, line 5, delete "subdivision" and insert "subdivisions 5 and"

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 2422, as amended, as follows:

Page 2 of the Dempsey amendment, line 27, delete "Sections 1 to" and insert "Section"

Page 2 of the Dempsey amendment, line 27, delete "are" and insert "is"

The motion prevailed and the amendment was adopted.

H. F. No. 2422, A bill for an act relating to agriculture; clarifying certain exemptions; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 5 and 24.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Orenstein	Segal
Anderson, R.	Frerichs	Lasley	Osthoff	Shaver
Battaglia	Greenfield	Lieder	Otis	Simoneau
Bauerly	Gutknecht	Long	Ozment	Skoglund
Beard	Hartle	Marsh	Pappas	Solberg
Begich	Haukoos	McEachern	Pauly	Sparby
Bennett	Heap	McKasy	Pelowski	Stanius
Bertram	Hugoson	McLaughlin	Peterson	Steensma
Bishop	Jacobs	McPherson	Poppenhagen	Sviggum
Blatz	Jaros	Milbert	Price	Swenson
Boo	Jefferson	Miller	Quinn	Thiede
Brown	Jennings	Minne	Quist	Tjornhom
Burger	Jensen	Morrison	Redalen	Tompkins
Carlson, D.	Johnson, A.	Munger	Reding	Trimble
Carlson, L.	Johnson, R.	Murphy	Rice	Tunheim
Carruthers	Johnson, V.	Nelson, C.	Rest	Uphus
Clark	Kahn	Nelson, D.	Richter	Valento
Clausnitzer	Kallis	Nelson, K.	Riveness	Vellenga
Cooper	Kelly	Neuenschwander	Rodosovich	Voss
Dauncr	Kelso	O'Connor	Rose	Wagenius
Dawkins	Kinkel	Ogren	Rukavina	Waltman
DeBlicke	Kludt	Olsen, S.	Sarna	Welle
Dempsey	Knickerbocker	Olsen, E.	Schafer	Wenzel
DeRaad	Knuth	Olson, K.	Scheid	Winter
Dille	Kostohryz	Omann	Schreiber	Wynia
Dorn	Krueger	Onnen	Seaberg	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2470 was reported to the House.

Beard moved to amend H. F. No. 2470, as follows:

Page 1, line 22, delete "aggregate" and delete "or checks"

Page 1, line 25, delete "aggregate"

Page 2, line 1, delete "or checks" and delete "no" and insert "not"

Page 2, line 3, delete the first "the"

The motion prevailed and the amendment was adopted.

H. F. No. 2470, A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Orenstein	Segal
Anderson, R.	Frerichs	Lasley	Osthoff	Shaver
Battaglia	Greenfield	Lieder	Otis	Simoneau
Bauerly	Gutknecht	Long	Ozment	Skoglund
Beard	Hartle	Marsh	Pappas	Solberg
Begich	Haukoos	McEachern	Pauly	Sparby
Bennett	Heap	McKasy	Pelowski	Stanius
Bertram	Hugoson	McLaughlin	Peterson	Steensma
Bishop	Jacobs	McPherson	Poppenhagen	Sviggum
Blatz	Jaros	Milbert	Price	Swenson
Boo	Jefferson	Miller	Quinn	Thiede
Brown	Jennings	Minne	Quist	Tjornhom
Burger	Jensen	Morrison	Redalen	Tompkins
Carlson, D.	Johnson, A.	Munger	Reding	Trimble
Carlson, L.	Johnson, R.	Murphy	Rest	Tunheim
Carruthers	Johnson, V.	Nelson, C.	Rice	Uphus
Clark	Kahn	Nelson, D.	Richter	Valento
Clausnitzer	Kalis	Nelson, K.	Riveness	Vellenga
Cooper	Kelly	Neuenschwander	Rodosovich	Voss
Dauner	Kelso	O'Connor	Rose	Wagenius
Dawkins	Kinkel	Ogren	Rukavina	Waltman
DeBlieck	Kludt	Olsen, S.	Sarna	Welle
Dempsey	Knickerbocker	Olson, E.	Schafer	Wenzel
DeRaad	Knuth	Olson, K.	Scheid	Winter
Dille	Kostohryz	Omann	Schreiber	Wynia
Dorn	Krueger	Ommen	Seaberg	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2487 was reported to the House.

Swenson and Jennings moved to amend H. F. No. 2487, the first engrossment, as follows:

Page 1, lines 23 and 24, delete section 2

The motion prevailed and the amendment was adopted.

H. F. No. 2487, A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; amending Minnesota Statutes 1986, section 414.061, subdivision 5.

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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Onnen	Seaberg
Anderson, R.	Frederick	Krueger	Orenstein	Segal
Battaglia	Frerichs	Larsen	Osthoff	Shaver
Bauerly	Greenfield	Lasley	Otis	Simoneau
Beard	Gutknecht	Lieder	Ozment	Skoglund
Begich	Hartle	Long	Pappas	Solberg
Bennett	Haukoos	Marsh	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Bishop	Himle	McKasy	Peterson	Steensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Svigum
Boo	Jacobs	Milbert	Price	Swenson
Brown	Jaros	Miller	Quinn	Thiede
Burger	Jefferson	Minne	Quist	Tjornhom
Carlson, D.	Jennings	Morrison	Redalen	Tompkins
Carlson, L.	Jensen	Munger	Reding	Tunheim
Carruthers	Johnson, A.	Murphy	Rest	Uphus
Clark	Johnson, R.	Nelson, C.	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Vellenga
Cooper	Kahn	Nelson, K.	Riveness	Voss
Dauner	Kalis	Neuenschwander	Rodosovich	Wagenius
Dawkins	Kelly	O'Connor	Rose	Waltman
DeBlicck	Kelso	Ogren	Rukavina	Welle
Dempsey	Kinkel	Olsen, S.	Sarna	Wenzel
DeRaad	Kludt	Olsen, E.	Schafer	Winter
Dille	Knickerbocker	Olson, K.	Scheid	Wynia
Dorn	Knuth	Omann	Schreiber	Spk. Vanasek

Those who voted in the negative were:

McPherson

The bill was passed, as amended, and its title agreed to.

H. F. No. 2568 was reported to the House.

Olson, K., moved to amend H. F. No. 2568, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD; BOARD.] "Minnesota agricultural and economic development board" or "board" consists of the commissioner of finance as chair, the commissioner of agriculture, the commissioner of energy and economic development, the director of the pollution control agency, the president of the Greater Minnesota Corporation or the president's designee, and two public members with experience in finance, appointed by the Greater Minnesota Corporation. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575."

Renumber the remaining sections in sequence

Page 2, after line 23, insert:

"Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for terms and compensation for members of the Minnesota agricultural and economic development board;"

Page 1, line 6, delete "subdivision" and insert "subdivisions 3 and"

Thiede moved to amend the Olson, K., amendment to H. F. No. 2568, as follows:

Page 1, line 19, delete the new language

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Olson, K., amendment to H. F. No. 2568. The motion prevailed and the amendment was adopted.

Thiede moved to amend H. F. No. 2568, as amended, as follows:

Page 1, line 24, after the period insert "To be eligible for special assistance, a revenue-producing enterprise must be located outside of the metropolitan area, as defined in section 473.121, subdivision 2."

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called. There were 34 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Bauerly	DeRaad	McKasy	Quist	Sviggum
Bertram	Frederick	McPherson	Redalen	Thiede
Blatz	Gutknecht	Miller	Richter	Tjornhom
Boo	Haukoos	Omann	Schafer	Uphus
Burger	Himle	Onnen	Schreiber	Valento
Clausnitzer	Hugoson	Pauly	Seaberg	Waltman
Dempsey	Marsh	Poppenhagen	Shaver	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lasley	Olson, K.	Segal
Battaglia	Jaros	Lieder	Orenstein	Simoneau
Beard	Jefferson	Long	Osthoff	Skoglund
Begich	Jennings	McEachern	Otis	Solberg
Bennett	Jensen	McLaughlin	Ozment	Sparby
Brown	Johnson, A.	Milbert	Pappas	Stanius
Carlson, L.	Johnson, R.	Minne	Pelowski	Steensma
Carruthers	Kahn	Morrison	Peterson	Swenson
Clark	Kalis	Munger	Price	Trimble
Cooper	Kelly	Murphy	Quinn	Tunheim
Dauner	Kelso	Nelson, C.	Reding	Vellenga
Dawkins	Kinkel	Nelson, D.	Rest	Voss
DeBlieck	Kludt	Nelson, K.	Rice	Wagenius
Dille	Knickerbocker	Neuenschwander	Riveness	Welle
Dorn	Knuth	O'Connor	Rodosovich	Wenzel
Greenfield	Kostohryz	Ogren	Rukavina	Winter
Hartle	Krueger	Olsen, S.	Sarna	Wynia
Heap	Larsen	Olson, E.	Scheid	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Cooper; Olson, K.; Nelson, C.; Bertram and Otis moved to amend H. F. No. 2568, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8, is amended to read:

Subd. 8. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the unit other than surpluses from tax increment districts located within the boundaries of the local governmental unit. The maximum loan

available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation revolving fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "establishing requirements for revenues that can be used in a local revolving fund;"

Page 1, line 6, before the period insert "; 116N.08, subdivision 8"

The motion prevailed and the amendment was adopted.

Pauly was excused for the remainder of today's session.

Sviggum moved to amend H. F. No. 2568, as amended, as follows:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 41A.036, subdivision 2, is amended to read:

Subd. 2. [SMALL BUSINESS DEVELOPMENT LOANS PREFERENCES.]

The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that principally utilize locally produced raw materials regardless of the number of permanent jobs created;

(2) businesses located in rural counties of the state that are experiencing the most severe unemployment rates in the state designated as "distressed" under Minnesota Statutes 1987 Supplement, section 297A.257;

(2) (3) businesses that are likely to expand and provide additional permanent employment in rural areas of the state;

(3) (4) businesses located in border communities that experience a competitive disadvantage due to location;

(4) (5) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) (6) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) (7) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.”

Renumber accordingly

Correct internal references accordingly

Amend title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 44 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Bennett	Dille	Johnson, V.	Quist	Sviggum
Bishop	Forsythe	Marsh	Redalen	Swenson
Blatz	Frederick	McKasy	Richter	Thiede
Boo	Frerichs	McPherson	Rose	Tjornhom
Burger	Gutknecht	Miller	Schafer	Tompkins
Clausnitzer	Hartle	Omann	Schreiber	Uphus
DeBlieck	Haukoos	Onnen	Seaberg	Valento
Dempsey	Himle	Ozment	Shaver	Waltman
DeRaad	Hugoson	Poppenhagen	Stanius	

Those who voted in the negative were:

Anderson, G.	Jefferson	Long	Pelowski	Trimble
Battaglia	Jennings	McEachern	Peterson	Tunheim
Bauerly	Jensen	McLaughlin	Price	Vellenga
Bead	Johnson, A.	Milbert	Quinn	Voss
Begich	Johnson, R.	Minne	Reding	Wagenius
Bertram	Kahn	Munger	Rest	Wenzel
Brown	Kalis	Murphy	Rice	Wynia
Carlson, L.	Kelly	Nelson, C.	Riveness	Spk. Vanasek
Carruthers	Kelso	Nelson, K.	Rodosovich	
Clark	Kinkel	Neuenschwander	Rukavina	
Cooper	Kludt	Ogren	Sarna	
Dauner	Knickerbocker	Olsen, S.	Scheid	
Dawkins	Knuth	Olsen, E.	Segal	
Dorn	Kostohryz	Olson, K.	Simoneau	
Greenfield	Krueger	Orenstein	Skoglund	
Heap	Larsen	Osthoff	Solberg	
Jacobs	Lasley	Otis	Sparby	
Jaros	Lieder	Pappas	Steenasma	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2568, A bill for an act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.

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.	Frederick	Krueger	Orenstein	Skoglund
Anderson, R.	Frerichs	Larsen	Otis	Solberg
Battaglia	Greenfield	Lasley	Ozment	Sparby
Bauerly	Gutknecht	Lieder	Pappas	Stanis
Beard	Hartle	Long	Pelowski	Steensma
Begich	Haukoos	Marsh	Peterson	Swiggum
Bennett	Heap	McEachern	Poppenhagen	Swenson
Bertram	Himle	McKasy	Price	Thiede
Bishop	Hugoson	McLaughlin	Quinn	Tjornhom
Blatz	Jacobs	McPherson	Quist	Tompkins
Brown	Jaros	Miller	Redalen	Trimble
Burger	Jefferson	Minne	Reding	Tunheim
Carlson, D.	Jennings	Morrison	Rest	Uphus
Carlson, L.	Jensen	Munger	Rice	Valento
Carruthers	Johnson, A.	Murphy	Richter	Vellenga
Clark	Johnson, R.	Nelson, C.	Riveness	Voss
Clausnitzer	Johnson, V.	Nelson, D.	Rodosovich	Wagenius
Cooper	Kahn	Nelson, K.	Rose	Waltman
Dauner	Kalis	Neuenschwander	Rukavina	Welle
Dawkins	Kelly	O'Connor	Sarna	Wenzel
DeBlieck	Kelso	Ogren	Schafer	Winter
Dempsey	Kinkel	Olsen, S.	Schreiber	Wynia
DeRaad	Kludt	Olsen, E.	Seaberg	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Segal	
Dorn	Knuth	Omann	Shaver	
Forsythe	Kostohryz	Onnen	Simoneau	

The bill was passed, as amended, and its title agreed to.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Lasley moved that the name of Knuth be added as an author on H. F. No. 1275. The motion prevailed.

Murphy moved that the name of Stanius be added as an author on H. F. No. 1659. The motion prevailed.

Ogren moved that his name be stricken and the name of Nelson, C., be added as chief author on H. F. No. 1928. The motion prevailed.

Riveness moved that the names of Otis and Rest be stricken and the names of Milbert and Quinn be added as authors on H. F. No. 1932. The motion prevailed.

Milbert moved that the name of Osthoff be stricken and the name of Kelso be added as an author on H. F. No. 2262. The motion prevailed.

Clausnitzer moved that H. F. No. 2122 be returned to its author. The motion prevailed.

Thiede, Redalen, Himle, Valento and Bertram introduced:

House Resolution No. 52, A House resolution affirming and supporting the right to peaceful protest; condemning violent demonstrations including the desecration of the United States flag.

SUSPENSION OF RULES

Thiede moved that the rules be so far suspended that House Resolution No. 52 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

The question was taken on the Thiede motion and the roll was called. There were 70 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Dorn	Himle	Lieder
Anderson, R.	Carruthers	Forsythe	Hugoson	Marsh
Bennett	Clausnitzer	Frederick	Johnson, R.	McKasy
Bertram	Dauner	Frerichs	Johnson, V.	McPherson
Bishop	DeBlieck	Gutknecht	Kelly	Milbert
Blatz	Dempsey	Hartle	Kelso	Miller
Boo	DeRaad	Haukoos	Knickerbocker	Morrison
Burger	Dille	Heap	Krueger	Neuenschwander

Olsen, S.	Poppenhagen	Schafer	Stanius	Tompkins
Omann	Quist	Scheid	Steensma	Uphus
Onnen	Redalen	Schreiber	Sviggum	Valento
Osthoff	Richter	Seaberg	Swenson	Waltman
Ozment	Rodosovich	Shaver	Thiede	Wenzel
Pelowski	Rose	Solberg	Tjornhom	Winter

Those who voted in the negative were:

Battaglia	Jefferson	McEachern	Otis	Segal
Bauerly	Johnson, A.	McLaughlin	Pappas	Simoneau
Beard	Kahn	Minne	Peterson	Skoglund
Carlson, L.	Kalis	Munger	Price	Trimble
Clark	Kinkel	Murphy	Quinn	Tunheim
Cooper	Kludt	Nelson, D.	Rest	Vellenga
Dawkins	Knuth	Nelson, K.	Rice	Voss
Greenfield	Larsen	O'Connor	Riveness	Wagenius
Jacobs	Lasley	Ogren	Rukavina	Wynia
Jaros	Long	Olson, K.	Sarna	Spk. Vanasek

The motion did not prevail.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, March 23, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, March 23, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 23, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Father Tom Becker, St. Anthony of Padua Church, Sauk Centre, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Anderson, R.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Marsh	Ozment	Solberg
Bennett	Haukoos	McDonald	Pappas	Stanis
Bertram	Heap	McEachern	Pauly	Steensma
Bishop	Himle	McKasy	Pelowski	Sviggum
Blatz	Hugoson	McLaughlin	Peterson	Swenson
Boo	Jacobs	McPherson	Poppenhagen	Thiede
Brown	Jefferson	Milbert	Price	Tjornhom
Burger	Jennings	Miller	Quinn	Tompkins
Carlson, D.	Jensen	Minne	Quist	Trimble
Carlson, L.	Johnson, A.	Morrison	Redalen	Tunheim
Carruthers	Johnson, R.	Munger	Reding	Uphus
Clark	Johnson, V.	Murphy	Rest	Valento
Clausnitzer	Kahn	Nelson, C.	Rice	Vellenga
Cooper	Kalis	Nelson, D.	Richter	Voss
Dauner	Kelly	Nelson, K.	Riveness	Wagenius
Dawkins	Kelso	Neuenschwander	Rodosovich	Waltman
DeBlicck	Kinkel	O'Connor	Rose	Welle
DeRaad	Kludt	Ogren	Rukavina	Wenzel
Dille	Knickerbocker	Olsen, S.	Sarna	Winter
Dorn	Knuth	Olson, E.	Schafer	Wynia
Forsythe	Kostohryz	Olson, K.	Scheid	Spk. Vanasek

A quorum was present.

Jaros and Sparby were excused.

Dempsey was excused until 2:10 p.m. Shaver was excused until 2:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. McDonald 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. 2605, 89, 926, 1164, 1821, 2151, 2429, 1403, 1890, 1953, 2238, 2306, 2245, 2400, 2487, 1971, 1796, 2470, 2185, 453, 2422 and 2568 and S. F. No. 63 have been placed in the members' files.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Health and Human Services to which was referred:

H. F. No. 562, A bill for an act relating to human services; creating a grant program of caregiver support services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 1, line 20, delete "4" and insert "3"

Page 2, line 22, after "services" insert "demonstration"

Page 4, line 5, delete everything after the period

Page 4, delete line 6

Page 4, line 12, after "containing" insert "a description of respite care services available throughout the state,"

Page 4, line 14, after "program" insert a comma

Page 4, delete lines 16 to 20

Page 4, line 22, delete "\$" and insert "\$300,000"

Page 4, line 24, delete "purposes of" and insert "two to four demonstration projects described in"

Page 4, line 25, delete "4" and insert "3"

Page 4, after line 25, insert:

"Sec. 5. [AUTHORITY.]

The commissioner of human services may use unexpended funds from the alternative care grant program for respite care, as defined in section 2."

Renumber the sections in sequence

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.

McEachern from the Committee on Education to which was referred:

H. F. No. 2058, A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 912, Milaca.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 124.43, subdivision 1, is amended to read:

Subdivision 1. [REVIEW BY COMMISSIONER.] (a) ~~To the extent moneys are from time to time available hereunder,~~ The commissioner may, after review and a favorable recommendation by the state board of education, recommend to the legislature capital loans to school districts. Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. ~~Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and the following June 1.~~

(b) Any school board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 121.15 by September 1 of any year, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a favorable review and comment pursuant to section 121.15; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs which comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not recommend approval of the loan. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not recommend approval of a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in assessed valuation over the term of the loan, shall assume a 16 mill levy, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

(d) No loan shall be recommended for approval for any district exceeding an amount computed as follows:

(1) The amount ~~voted~~ requested by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval June 30 of the year following the year the application was received, not

exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval on December 1 of the year the application is received, under the limitation in section 475.53, subdivision 4, or 24 percent of the most recent adjusted assessed value available at the time of application, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 2. Minnesota Statutes 1986, section 124.43, subdivision 2, is amended to read:

Subd. 2. [DISTRICT PROCEDURES.] The school board of any district desiring a capital loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. ~~The question of authorizing the borrowing of funds for the facilities shall be submitted to the voters of the district at a regular or special election. The question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan application and also to issue the bonds on public sale in accordance with chapter 475.~~ Applications for loans shall be accompanied by (a) a copy of the resolution, and (b) a certificate by the clerk showing the vote at the election, ~~(c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in the auditor's official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.~~ The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in the form and accompanied by the additional data which the commissioner and state board of education prescribe. Applications must be received by the commissioner by December 1 of any year. When an application is received, the commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Sec. 3. Minnesota Statutes 1986, section 124.43, subdivision 3, is amended to read:

Subd. 3. [AWARD OF LOANS RECOMMENDATIONS OF THE COMMISSIONER.] The commissioner shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is promptly notify any district found not qualified it shall be promptly notified thereof by the state board of the state board's decision. The commissioner shall make recommendations concerning each capital loan to the education committees of both houses of the legislature by February 1 of each year. The commissioner shall also report on the funds remaining in the capital loan account, and if necessary, request that the legislature authorize another bond issue. On January 1 and July 1 of each year, the commissioner shall make a determination on all pending applications which have been on file with the commissioner more than one month. If an applicant is qualified in the opinion of the commissioner and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the commissioner shall allot the available amount among the qualified applicant districts, or any of them, according to the commissioner's judgment and discretion based upon their respective needs. The commissioner shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Sec. 4. Minnesota Statutes 1986, section 124.43, is amended by adding a subdivision to read:

Subd. 3a. [LEGISLATIVE ACTION.] Upon recommendation of the commissioner of education, the legislature may approve, disapprove, or modify each district's application. The legislature must pass legislation to authorize a capital loan.

If the aggregate amount of the capital loans exceeds the amount which is or can be made available, the commissioner shall allot the available amount among any number of qualified applicant districts, according to the commissioner's judgment and discretion, based upon the districts' respective needs.

Sec. 5. Minnesota Statutes 1986, section 124.43, is amended by adding a subdivision to read:

Subd. 3b. [DISTRICT REFERENDUM.] Upon passage of legislation authorizing a capital loan, the question authorizing the borrowing of funds for the facilities must be submitted by the school board to the voters of the district at a regular or special election. The

question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the issuance of the obligations on public sale in accordance with chapter 475. The district must mail to the commissioner of education a certificate by the clerk showing the vote at the election.

Sec. 6. [124.477] [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS; 1988.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Enough money to pay interest on the bonds to and including July 1 in the second year after the date of issue must be credited from the bond proceeds to the school loan bond account in the state bond fund. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 7. [CAPITAL LOANS.]

Subdivision 1. [LOAN TO MILACA SCHOOL DISTRICT.] The legislature approves a capital loan in an amount not to exceed \$4,791,000 to independent school district No. 912, Milaca.

Subd. 2. [LOAN TO HOLDINGFORD SCHOOL DISTRICT.] The legislature approves a capital loan in an amount not to exceed \$1,087,000 to independent school district No. 738, Holdingford.

Subd. 3. [LOAN TO REDWOOD FALLS SCHOOL DISTRICT.] The legislature approves a capital loan in an amount not to exceed \$5,838,000 to independent school district No. 637, Redwood Falls.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 124.435, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment. The capital loans authorized in section 7 are effective upon approval of the referendum required in section 5."

Delete the title and insert:

"A bill for an act relating to education; altering the maximum effort school loan program; approving capital loans; authorizing the sale of bonds; appropriating money; amending Minnesota Statutes 1986, section 124.43, subdivisions 1, 2, 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1986, section 124.435."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2182, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, section 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; 86.72; and 89.022, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete lines 20 to 31

Page 2, delete lines 1 to 6 and insert:

"The following amendment to the Minnesota Constitution, article XIII, section 5, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 5. The legislature shall not authorize any lottery or the sale of lottery tickets, except that the legislature may authorize lotteries that are regulated, owned, and operated by the state in a manner

prescribed by law. The entire proceeds from a lottery, after deduction of prizes and expenses, must be first allocated as follows:

(1) one-third of the proceeds must be allocated to the budget and cash flow reserve account of the state treasury;

(2) one-third of the proceeds must be allocated to the Minnesota environment and natural resources trust fund; and

(3) one-third of the proceeds must be allocated to the Greater Minnesota Corporation trust fund.

When either the Minnesota environment and natural resources trust fund or the Greater Minnesota Corporation trust fund reaches a principal amount of \$1,000,000,000 or when \$1,000,000,000 has been allocated from the lottery proceeds to either fund, the lottery proceeds to that fund cease and all of the net proceeds must be allocated to the other fund until that fund reaches a principal amount of \$1,000,000,000 or \$1,000,000,000 of lottery proceeds has been allocated to that fund. Thereafter, two-thirds of the net proceeds must be allocated to the general fund. Expenditures from the Minnesota environment and natural resources trust fund must be made for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources. Expenditures from the Greater Minnesota Corporation trust fund must be made for the public purpose of furthering long-term job growth and economic development in the state.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to allow a state-operated lottery and provide for one-third of the net proceeds from the lottery to be allocated for a budget reserve and one-third of the net proceeds from the lottery to be allocated for a trust fund for the public purpose of protecting and improving the state's environment and natural resources, and one-third of the net proceeds from the lottery to be allocated to another trust fund for the public purpose of furthering long-term job growth and economic development in the state?"

Yes
No

Sec. 3. Minnesota Statutes 1986, section 86.06, is amended to read:

86.06 [DEFINITIONS.]

For the purposes of Laws 1963, chapter 790, as amended, the following definitions obtain:

(1) "Commission" shall mean the legislative Minnesota future resources commission ~~on Minnesota resources~~;

(2) "Resources" shall mean the land and water areas in the state of Minnesota.

Sec. 4. Minnesota Statutes 1986, section 86.61, is amended to read:

86.61 [EXPENDITURES.]

All moneys expended pursuant to any appropriation made by Laws 1963, chapter 790, are subject to the provisions of Minnesota Statutes 1961, chapter 16, and any act amendatory thereof. None of the provisions of this section however shall apply to any appropriation made to the legislative Minnesota future resources commission ~~on Minnesota resources~~ established by section 86.07.

Sec. 5. Minnesota Statutes 1986, section 86.72, subdivision 2, is amended to read:

Subd. 2. Money appropriated from the account shall be expended for state land acquisition and development that is part of a natural resources acceleration activity, when the acquisition and development is deemed to be of an emergency or critical nature. In addition this money is available for studies initiated by the legislative Minnesota future resources commission ~~on Minnesota resources~~ that are found to be proper in order for the commission to carry out its legislative charge.

Sec. 6. Minnesota Statutes 1986, section 86.72, subdivision 3, is amended to read:

Subd. 3. Requests for allocation from the account for acquisition or development shall be accompanied by a certificate signed jointly by the commissioner of energy and economic development and commissioner of natural resources, showing a review of the application against chapter 86A. Copies of the certification shall be submitted to the appropriate legislative committees and commissions. Appropriations from the account shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative Minnesota future resources commission ~~on Minnesota resources~~ shall make recommendations to the legislative advisory commission regarding the expenditures."

Page 4, delete lines 4 to 7

Renumber the subdivisions in sequence

Page 4, line 23, after the period insert:

“The commission shall recommend expenditures to the legislature from the natural resources acceleration account under section 19.”

Page 5, line 29, delete “advisory committee” and insert “commission”

Page 8, line 1, delete “and approval” and insert a period

Page 8, delete lines 2 to 6

Page 12, after line 22, insert:

“Sec. 19. [115C.13] [NATURAL RESOURCES ACCELERATION ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] The revenue in the natural resources acceleration account consists of money credited under section 297.13, subdivision 1, clause (1).

Subd. 2. [INTEREST.] The interest attributable to the investment of revenue in the natural resources acceleration account must be credited to the account.

Subd. 3. [REVENUE PURPOSES.] Revenue in the natural resources acceleration account may be spent for purposes of outdoor recreation, including but not limited to the development, maintenance and operation of the state outdoor recreation system under chapter 86A.”

Page 15, lines 19 and 20, reinstate the stricken language and delete the new language

Page 15, line 21, reinstate “natural resources acceleration”

Page 15, line 21, strike “chapter” and delete “115C” and insert “section 19”

Page 16, delete lines 16 to 20

Page 16, line 22, delete “15” and insert “21”

Page 16, line 24, delete “Sections 16 and 17 are” and insert “Section 22 is”

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

“A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; permitting state-run lotteries; providing for the distribution of their proceeds; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, sections 86.06; 86.61; 86.72, subdivisions 2 and 3; and 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger moved that H. F. No. 2182 be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Johnson, R.; Pelowski; Bertram; Dorn and Nelson, C., introduced:

H. F. No. 2785, A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

The bill was read for the first time and referred to the Committee on Taxes.

HOUSE ADVISORIES

The following House Advisories were introduced:

Segal; Otis; Simoneau; Olsen, S., and Vellenga introduced:

H. A. No. 71, A proposal to study limited English proficiency programs.

The advisory was referred to the Committee on Education.

Dauner, Kelly, Kalis, Jennings and Dempsey introduced:

H. A. No. 72, A proposal to study financing the state trial courts.

The advisory was referred to the Committee on Judiciary.

Pappas, Dempsey, Bishop, Solberg and Kelly introduced:

H. A. No. 73, A proposal to study criminal penalties and prosecutorial jurisdiction and discretion.

The advisory was referred to the Committee on Judiciary.

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. 81, A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

H. F. No. 1767, A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

H. F. No. 1940, A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivision 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, subdivision 1.

H. F. No. 2463, A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

H. F. No. 2558, A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1732, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

H. F. No. 1784, A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, subdivision 1.

H. F. No. 1850, A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

H. F. No. 1867, A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

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. 2270, A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to

H. F. No. 2270 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2270, A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Frerichs	Krueger	Onnen	Schreiber
Battaglia	Greenfield	Larsen	Orenstein	Seaberg
Bauerly	Gruenes	Lasley	Osthoff	Segal
Beard	Gutknecht	Lieder	Otis	Simoneau
Begich	Hartle	Marsh	Ozment	Skoglund
Bennett	Haukoos	McDonald	Pappas	Solberg
Bertram	Heap	McEachern	Pauly	Stanius
Blatz	Himle	McKasy	Pelowski	Steensma
Boo	Hugoson	McLaughlin	Peterson	Sviggum
Brown	Jacobs	McPherson	Poppenhagen	Swenson
Burger	Jefferson	Milbert	Price	Thiede
Carlson, D.	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	O'Connor	Rodosovich	Wagenius
DeRaad	Kinkel	Ogren	Rose	Waltman
Dille	Kludt	Olsen, S.	Rukavina	Welle
Dorn	Knickerbocker	Olson, E.	Sarna	Wenzel
Forsythe	Knuth	Olson, K.	Schafer	Winter
Frederick	Kostohryz	Omann	Scheid	Wynia
				Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1575.

The Senate has repassed said bill in accordance with the recom-

mentation 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. 1575

A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

March 21, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1575, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S. F. No. 1575, the Unofficial Engrossment, be further amended as follows:

Page 2, line 27, delete "and"

Page 2, delete lines 28 and 29

Page 2, line 30, delete everything before the period and insert:

"(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee"

Page 2, lines 32 and 34, before "stamp" insert "trout and salmon"

We request adoption of this report and repassage of the bill.

Senate Conferees: CHARLES A. BERG, BOB LESSARD AND GENE MERRIAM.

House Conferees: DAVID P. BATTAGLIA, JOHN T. ROSE AND WILLARD MUNGER.

Battaglia moved that the report of the Conference Committee on S. F. No. 1575 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1575, A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 99 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	O'Connor	Rose
Battaglia	Frederick	Larsen	Ogren	Rukavina
Bauerly	Frerichs	Lasley	Olsen, S.	Sarna
Beard	Greenfield	Lieder	Olson, E.	Seaberg
Begich	Hartle	Long	Olson, K.	Segal
Bertram	Heap	Marsh	Orenstein	Simoneau
Boo	Jacobs	McEachern	Otis	Solberg
Brown	Jefferson	McKasy	Ozment	Steensma
Burger	Jennings	McLaughlin	Pappas	Trimble
Carlson, L.	Jensen	McPherson	Pauly	Tunheim
Carruthers	Johnson, A.	Milbert	Pelowski	Uphus
Clark	Johnson, R.	Miller	Peterson	Vellenga
Clausnitzer	Kahn	Minne	Poppenhagen	Voss
Cooper	Kalis	Morrison	Price	Wagenius
Dauner	Kelly	Munger	Quinn	Welle
Dawkins	Kelso	Murphy	Reding	Wenzel
DeBlieck	Kinkel	Nelson, C.	Rest	Winter
DeRaad	Kludt	Nelson, D.	Rice	Wynia
Dille	Knuth	Nelson, K.	Riverness	Spk. Vanasek
Dorn	Kostohryz	Neuenschwander	Rodosovich	

Those who voted in the negative were:

Bennett	Haukoos	McDonald	Schafer	Swenson
Blatz	Himle	Omann	Schreiber	Thiede
Carlson, D.	Hugoson	Onnen	Skoglund	Tjornhom
Gruenes	Johnson, V.	Quist	Stanisus	Valento
Gutknecht	Knickerbocker	Redalen	Svigum	Waltman

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1948, 1970, 2117, 2137, 1701, 1721, 1742, 1749, 1826, 1822, 995, 1121, 1564, 1587, 1867, 1875, 1918, 1861, 1228, 1620, 1646, 1673 and 1686.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1948, A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

The bill was read for the first time.

Rukavina moved that S. F. No. 1948 and H. F. No. 2016, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1970, A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

The bill was read for the first time.

Dauner moved that S. F. No. 1970 and H. F. No. 2415, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2117, A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.953, subdivisions 1 and 2.

The bill was read for the first time.

Rose moved that S. F. No. 2117 and H. F. No. 2197, now on General

Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2137, A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

The bill was read for the first time.

Kelso moved that S. F. No. 2137 and H. F. No. 2441, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1701, A bill for an act relating to natural resources; designating the fossil of the giant beaver, *castoroides ohioensis*, as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time.

Orenstein moved that S. F. No. 1701 and H. F. No. 2653, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1721, A bill for an act relating to employment agencies; prohibiting certain action; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5; Minnesota Statutes 1987 Supplement, section 181.932, subdivision 1.

The bill was read for the first time.

Pappas moved that S. F. No. 1721 and H. F. No. 2584, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1742, A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy;

amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

The bill was read for the first time.

Redalen moved that S. F. No. 1742 and H. F. No. 1991, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1749, A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

The bill was read for the first time.

Sarna moved that S. F. No. 1749 and H. F. No. 1860, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1826, A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

S. F. No. 1822, A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

The bill was read for the first time.

Jacobs moved that S. F. No. 1822 and H. F. No. 2091, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 995, A bill for an act relating to commerce; industrial loan and thrift companies; making certain technical corrections; modifying certain definitions; prescribing powers; prescribing the qualifications of the directors of certain companies; providing penalties; regulated loans; prescribing the types of security that may be taken; specifying the loan fees and charges that may be imposed by regulated lenders; regulating mortgage foreclosure notices; amending Minnesota Statutes 1986, sections 53.015; 53.02; 53.03, subdivision 5; 53.06; 53.08; 53.09, subdivision 3; 56.131, subdivisions 1 and 2; 56.14; and 580.03; Minnesota Statutes 1987 Supplement, sections 53.05; and 56.12.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

S. F. No. 1121, A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1564, A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

The bill was read for the first time.

Dempsey moved that S. F. No. 1564 and H. F. No. 1733, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1587, A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 1587 and H. F. No. 1952, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1867, A bill for an act relating to cemeteries; mausoleums, prearranged funeral services; consumer protection; requiring the establishment of a construction performance bond; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

The bill was read for the first time.

Reding moved that S. F. No. 1867 and H. F. No. 1996, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1875, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

The bill was read for the first time.

McLaughlin moved that S. F. No. 1875 and H. F. No. 2115, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1918, A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1861, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1228, A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1620, A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

The bill was read for the first time.

Dorn moved that S. F. No. 1620 and H. F. No. 2080, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1646, A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

The bill was read for the first time.

DeBlicek moved that S. F. No. 1646 and H. F. No. 1794, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1673, A bill for an act relating to intoxicating liquor; authorizing the dispensing of intoxicating liquor at the St. Cloud Civic Center.

The bill was read for the first time.

Gruenes moved that S. F. No. 1673 and H. F. No. 1822, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1686, A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a redelivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

The bill was read for the first time.

Brown moved that S. F. No. 1686 and H. F. No. 2364, now on

General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2358, A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Long	Otis	Skoglund
Begich	Hartle	Marsh	Ozment	Solberg
Bennett	Haukoos	McDonald	Pappas	Stanius
Bertram	Heap	McEachern	Pauly	Steensma
Bishop	Himle	McKasy	Pelowski	Sviggum
Blatz	Hugoson	McLaughlin	Peterson	Swenson
Boo	Jacobs	McPherson	Poppenhagen	Thiede
Brown	Jefferson	Milbert	Price	Tjornhom
Burger	Jennings	Miller	Quinn	Tompkins
Carlson, D.	Jensen	Minne	Quist	Trimble
Carlson, L.	Johnson, A.	Morrison	Redalen	Tunheim
Carruthers	Johnson, R.	Munger	Reding	Uphus
Clark	Johnson, V.	Murphy	Rest	Valento
Clausnitzer	Kahn	Nelson, C.	Rice	Vellenga
Cooper	Kalis	Nelson, D.	Richter	Voss
Dauner	Kelly	Nelson, K.	Riveness	Wagenius
Dawkins	Kelso	Neuenschwander	Rodosovich	Waltman
DeBlick	Kinkel	O'Connor	Rose	Welle
DeRaad	Kludt	Ogren	Rukavina	Wenzel
Dille	Knickerbocker	Olsen, S.	Sarna	Winter
Dorn	Knuth	Olson, E.	Schafer	Wynia
Forsythe	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Frederick	Krueger	Omann	Schreiber	

The bill was passed and its title agreed to.

S. F. No. 2367, A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

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.	Frerichs	Larsen	Orenstein	Segal
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Stanius
Bennett	Haukoos	McDonald	Pauly	Steensma
Bertram	Heap	McEachern	Pelowski	Svigum
Bishop	Himle	McKasy	Peterson	Swenson
Blatz	Hugoson	McLaughlin	Poppenhagen	Thiede
Boo	Jacobs	McPherson	Price	Tjornhom
Brown	Jefferson	Milbert	Quinn	Tompkins
Burger	Jennings	Miller	Quist	Trimble
Carlson, D.	Jensen	Minne	Redalen	Tunheim
Carlson, L.	Johnson, A.	Morrison	Reding	Uphus
Carruthers	Johnson, R.	Murphy	Rest	Valento
Clark	Johnson, V.	Nelson, C.	Rice	Vellenga
Clausnitzer	Kahn	Nelson, D.	Richter	Voss
Cooper	Kalis	Nelson, K.	Riveness	Wagenius
Dauner	Kelly	Neuenschwander	Rodosovich	Waltman
Dawkins	Kelso	O'Connor	Rose	Welle
DeBlieck	Kinkel	Ogren	Rukavina	Wenzel
DeRaad	Kludd	Olsen, S.	Sarna	Winter
Dille	Knickerbocker	Olson, E.	Schafer	Wynia
Dorn	Knuth	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 681 was reported to the House.

Skoglund moved that H. F. No. 681 be continued on the Consent Calendar for one day. The motion prevailed.

S. F. No. 1713 was reported to the House.

Ogren moved to amend S. F. No. 1713, as follows:

Page 1, line 9, after "county" delete "may" and insert "shall".

Page 1, line 22, after "field" delete "in".

Page 1, line 23, before "lies" delete "Cromwell".

The motion prevailed and the amendment was adopted.

S. F. No. 1713, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lieder	Osthoff	Simoneau
Battaglia	Gutknecht	Long	Otis	Skoglund
Bauerly	Hartle	Marsh	Ozment	Solberg
Beard	Haukoos	McDonald	Pappas	Stanius
Begich	Heap	McEachern	Pauly	Steensma
Bennett	Himle	McKasy	Pelowski	Sviggum
Bertram	Hugoson	McLaughlin	Peterson	Swenson
Bishop	Jacobs	McPherson	Poppenhagen	Thiede
Blatz	Jefferson	Milbert	Price	Tjornhom
Boo	Jennings	Miller	Quinn	Tompkins
Brown	Jensen	Minne	Quist	Trimble
Burger	Johnson, A.	Morrison	Redalen	Tunheim
Carlson, D.	Johnson, R.	Munger	Reding	Uphus
Carlson, L.	Johnson, V.	Murphy	Rest	Valento
Carruthers	Kahn	Nelson, C.	Rice	Vellenga
Clark	Kalis	Nelson, D.	Richter	Voss
Clausnitzer	Kelly	Nelson, K.	Riveness	Wagenius
Cooper	Kelso	Neuenschwander	Rodosovich	Waltman
Dauner	Kinkel	O'Connor	Rose	Welle
Dawkins	Kludt	Ogren	Rukavina	Wenzel
DeRaad	Knickerbocker	Olsen, S.	Sarna	Winter
Dille	Knuth	Olson, E.	Schafer	Wynia
Dorn	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Krueger	Omann	Schreiber	
Frederick	Larsen	Onnen	Seaberg	
Greenfield	Lasley	Orenstein	Segal	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2489, A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; authorizing sale of certain land in Cook county; amending Minnesota Statutes 1986, section 94.342, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bauerly	Begich	Bertram	Blatz
Battaglia	Beard	Bennett	Bishop	Boo

Brown	Hugoson	McEachern	Pappas	Skoglund
Burger	Jacobs	McKasy	Pauly	Solberg
Carlson, D.	Jefferson	McLaughlin	Pelowski	Stanius
Carlson, L.	Jennings	McPherson	Peterson	Steensma
Carruthers	Jensen	Milbert	Poppenhagen	Sviggum
Clark	Johnson, A.	Miller	Price	Swenson
Clausnitzer	Johnson, R.	Minne	Quinn	Thiede
Cooper	Johnson, V.	Morrison	Quist	Tjornhom
Dauner	Kahn	Munger	Redalen	Tompkins
Dawkins	Kalis	Murphy	Reding	Trimble
DeBlieck	Kelly	Nelson, C.	Rest	Tunheim
DeRaad	Kelso	Nelson, D.	Rice	Uphus
Dille	Kinkel	Nelson, K.	Richter	Valento
Dorn	Kludt	Neuenschwander	Riveness	Vellenga
Forsythe	Knickerbocker	O'Connor	Rodosovich	Voss
Frederick	Knuth	Ogren	Rose	Wagenius
Frerichs	Kostohryz	Olsen, S.	Rukavina	Waltman
Greenfield	Krueger	Olson, E.	Sarna	Welle
Gruenes	Larsen	Olson, K.	Schafer	Wenzel
Gutknecht	Lasley	Omann	Scheid	Winter
Hartle	Lieder	Omnen	Schreiber	Wynia
Haukoos	Long	Orenstein	Seaberg	Spk. Vanasek
Heap	Marsh	Osthoff	Segal	
Himle	McDonald	Ozment	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 2551, A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	Nelson, K.	Rest
Battaglia	Forsythe	Kludt	Neuenschwander	Rice
Bauerly	Frederick	Knickerbocker	O'Connor	Richter
Beard	Frerichs	Knuth	Ogren	Riveness
Begich	Greenfield	Kostohryz	Olsen, S.	Rodosovich
Bennett	Gruenes	Krueger	Olson, E.	Rose
Bertram	Gutknecht	Larsen	Olson, K.	Rukavina
Bishop	Hartle	Lasley	Omann	Sarna
Blatz	Haukoos	Lieder	Omnen	Schafer
Boo	Heap	Long	Orenstein	Scheid
Brown	Himle	Marsh	Osthoff	Schreiber
Burger	Hugoson	McDonald	Otis	Seaberg
Carlson, D.	Jacobs	McEachern	Ozment	Segal
Carlson, L.	Jefferson	McKasy	Pappas	Simoneau
Carruthers	Jennings	McLaughlin	Pauly	Skoglund
Clark	Jensen	Milbert	Pelowski	Solberg
Clausnitzer	Johnson, A.	Miller	Peterson	Stanius
Cooper	Johnson, R.	Minne	Poppenhagen	Steensma
Dauner	Johnson, V.	Morrison	Price	Sviggum
Dawkins	Kahn	Munger	Quinn	Swenson
DeBlieck	Kalis	Murphy	Quist	Thiede
DeRaad	Kelly	Nelson, C.	Redalen	Tjornhom
Dille	Kelso	Nelson, D.	Reding	Tompkins

Trimble
Tunheim
Uphus

Valento
Vellenga
Voss

Wagenius
Waltman
Welle

Wenzel
Winter
Wynia

Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2585 was reported to the House.

Neuenschwander moved that H. F. No. 2585 be continued on the Consent Calendar for one day. The motion prevailed.

H. F. No. 2621 was reported to the House.

Bertram moved that H. F. No. 2621 be continued on the Consent Calendar for one day. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for today, Wednesday, March 23, 1988:

H. F. Nos. 1526, 1469, 2118, 1848, 2364, 2446, 1493, 2542, 2450, 2514, 2481, 2567 and 2088; S. F. Nos. 1622 and 1644; H. F. Nos. 2370, 2101, 2134, 2228, 2629, 1849, 1872, 2341, 1674, 2086, 2054, 2475, 1857, 2477, 2252 and 2172; S. F. No. 2264; and H. F. No. 2250.

Wynia pursuant to House Rule 5.10 announced that H. F. No. 2245 and S. F. No. 63 meet the requirements of the House Budget Resolution.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 2245.

The Speaker called Long to the Chair.

H. F. No. 2245 was reported to the House.

Quinn, Stanius and Riveness moved to amend H. F. No. 2245, the second engrossment, as follows:

Page 73, line 11, after "adopt" insert "rules and"

A roll call was requested and properly seconded.

The question was taken on the Quinn et al amendment and the roll was called. There were 49 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Long	Omann	Rodosovich
Bennett	Jefferson	Marsh	Orenstein	Scheid
Brown	Jennings	McKasy	Osthoff	Skoglund
Carlson, L.	Kahn	McLaughlin	Pappas	Solberg
Carruthers	Kludt	Milbert	Pauly	Valento
Dawkins	Knickerbocker	Minne	Quinn	Vellenga
Dille	Knuth	Morrison	Reding	Voss
Gruenes	Kostohryz	Nelson, C.	Rest	Wagenius
Gutknecht	Larsen	O'Connor	Rice	Wynia
Himle	Lieder	Ogren	Riveness	

Those who voted in the negative were:

Anderson, R.	DeRaad	Kinkel	Ozment	Steensma
Battaglia	Dorn	Krueger	Pelowski	Sviggum
Bauerly	Forsythe	McDonald	Peterson	Swenson
Beard	Frerichs	McEachern	Price	Thiede
Bertram	Greenfield	McPherson	Quist	Tjornhom
Blatz	Hartle	Miller	Redalen	Tompkins
Boo	Haukoos	Murphy	Richter	Trimble
Burger	Heap	Nelson, D.	Rose	Tunheim
Carlson, D.	Hugoson	Nelson, K.	Rukavina	Uphus
Clausnitzer	Johnson, A.	Olsen, S.	Schafer	Waltman
Cooper	Johnson, V.	Olson, E.	Schreiber	Welle
Dauner	Kalis	Olson, K.	Seaberg	Wenzel
DeBleck	Kelly	Onnen	Segal	Winter
Dempsey	Kelso	Otis	Simoneau	

The motion did not prevail and the amendment was not adopted.

Dille was excused between the hours of 3:00 p.m. and 5:20 p.m.

Ogren and Gutknecht moved to amend H. F. No. 2245, the second engrossment, as follows:

Page 75, after line 10, insert:

"Sec. 44. Minnesota Statutes 1986, section 129.121, is amended by adding a subdivision to read:

Subd. 2d. [PARENTAL AUTHORITY.] The parents of a child shall

determine what activities are appropriate and permitted for their child when their child is not involved in extracurricular school activities or outside of normal school hours."

Renumber subsequent sections

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Ogren and Gutknecht amendment and the roll was called. There were 69 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Knickerbocker	Murphy	Rice
Beard	Gruenes	Knuth	Nelson, C.	Scheid
Begich	Gutknecht	Kostohryz	O'Connor	Seaberg
Bennett	Haukoos	Larsen	Ogren	Shaver
Bishop	Heap	Lasley	Omamn	Simoneau
Blatz	Himle	Long	Orenstein	Solberg
Burger	Jacobs	Marsh	Osthoff	Tjornhom
Carlson, L.	Jefferson	McDonald	Pappas	Trimble
Carruthers	Jennings	McKasy	Pauly	Valento
Clausnitzer	Jensen	McLaughlin	Peterson	Vellenga
Dawkins	Johnson, A.	Milbert	Price	Voss
DeBlieck	Johnson, R.	Miller	Quinn	Wagenius
Dorn	Kahn	Minne	Reding	Wynia
Forsythe	Kludt	Morrison	Rest	

Those who voted in the negative were:

Battaglia	Hugoson	Olsen, S.	Rodosovich	Thiede
Bauerly	Johnson, V.	Olson, E.	Rose	Tunheim
Bertram	Kalis	Olson, K.	Rukavina	Uphus
Brown	Kelso	Onnen	Schafer	Waltman
Carlson, D.	Kinkel	Pelowski	Schreiber	Welle
Cooper	Krueger	Poppenhagen	Segal	Wenzel
Dauner	Lieder	Quist	Skoglund	Winter
DeRaad	McEachern	Redalen	Steensma	
Greenfield	McPherson	Richter	Sviggum	
Hartle	Nelson, K.	Riveness	Swenson	

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 42, line 15, after "AIDS." insert "The department shall adopt AIDS education guidelines which encourage schools to help students abstain from sexual intercourse until they are ready to establish a mutually monogamous relationship within the context of marriage. The department shall adopt the guidelines contained in "Centers for Disease Control. Guidelines for Effective School Health Education

to Prevent the Spread of Aids. MMWR 1988;37 (suppl. no. S-2): (inclusive page numbers) for its model AIDS curriculum.”

A roll call was requested and properly seconded.

Otis moved to amend the Quist amendment to H. F. No. 2245, the second engrossment, as amended, as follows:

Page 1, line 5, delete everything after “intercourse” and insert “and illegal drug use.”

Delete lines 6 to 9

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 78 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Olson, E.	Segal
Anderson, R.	Frerichs	Larsen	Olson, K.	Simoneau
Battaglia	Greenfield	Lasley	Orenstein	Skoglund
Bauerly	Jacobs	Lieder	Osthoff	Solberg
Beard	Jefferson	Long	Otis	Trimble
Begich	Jensen	McEachern	Pappas	Tunheim
Bertram	Johnson, A.	McLaughlin	Pelowski	Vellenga
Bishop	Johnson, R.	Milbert	Peterson	Voss
Brown	Kahn	Minne	Price	Wagenius
Carlson, L.	Kalis	Munger	Quinn	Welle
Carruthers	Kelly	Murphy	Reding	Wenzel
Clark	Kelso	Nelson, C.	Rest	Winter
Cooper	Kinkel	Nelson, D.	Riveness	Wynia
Dauner	Kludt	Nelson, K.	Rodosovich	Spk. Vanasek
Dawkins	Knuth	Neuenschwander	Rukavina	
DeBlieck	Kostohryz	Ogren	Scheid	

Those who voted in the negative were:

Bennett	Gruenes	McKasy	Redalen	Swenson
Blatz	Gutknecht	McPherson	Richter	Thiede
Boo	Hartle	Miller	Rose	Tjornhom
Burger	Haukoos	Morrison	Schafer	Tompkins
Carlson, D.	Heap	Olsen, S.	Schreiber	Uphus
Clausnitzer	Himle	Omamm	Seaberg	Valento
Dempsey	Hugoson	Onnen	Shaver	Waltman
DeRaad	Johnson, V.	Pauly	Stanius	
Forsythe	Marsh	Poppenhagen	Steensma	
Frederick	McDonald	Quist	Svigum	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Quist amendment, as amended, and

the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Omann	Seaberg
Anderson, R.	Frederick	Larsen	Onnen	Segal
Battaglia	Frerichs	Lasley	Orenstein	Shaver
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Gutknecht	Marsh	Otis	Skoglund
Begich	Hartle	McDonald	Pappas	Solberg
Bennett	Haukoos	McEachern	Pauly	Stanius
Bertram	Heap	McKasy	Pelowski	Steensma
Bishop	Himle	McPherson	Peterson	Sviggum
Blatz	Hugoson	Milbert	Poppenhagen	Swenson
Brown	Jacobs	Miller	Quinn	Thiede
Burger	Jefferson	Minne	Quist	Tjornhom
Carlson, D.	Jensen	Morrison	Redalen	Tompkins
Carlson, L.	Johnson, A.	Munger	Reding	Trimble
Carruthers	Johnson, R.	Murphy	Rest	Tunheim
Clark	Johnson, V.	Nelson, C.	Richter	Uphus
Clausnitzer	Kalis	Nelson, D.	Riveness	Valento
Cooper	Kelly	Nelson, K.	Rodosovich	Voss
Dauner	Kelso	Neuenschwander	Rose	Wagenius
Dawkins	Kinkel	O'Connor	Rukavina	Waltman
DeBlieck	Kludt	Ogren	Sarna	Welle
Dempsey	Knickerbocker	Olsen, S.	Schafer	Wenzel
DeRaad	Knuth	Olson, E.	Scheid	Winter
Dorn	Kostohryz	Olson, K.	Schreiber	Wynia

The motion prevailed and the amendment, as amended, was adopted.

Quist moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 42, line 15, after "AIDS." insert "The department shall advise schools to adopt programs that neither encourage nor condone sexual promiscuity."

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Dorn	Jacobs	Kinkel
Battaglia	Carlson, L.	Forsythe	Jefferson	Kludt
Bauerly	Carruthers	Frederick	Jennings	Knickerbocker
Beard	Clark	Greenfield	Jensen	Knuth
Begich	Clausnitzer	Gruenes	Johnson, A.	Kostohryz
Bennett	Cooper	Gutknecht	Johnson, R.	Krueger
Bertram	Dauner	Hartle	Johnson, V.	Larsen
Blatz	Dawkins	Haukoos	Kahn	Lasley
Boo	DeBlieck	Heap	Kalis	Lieder
Brown	Dempsey	Himle	Kelly	Long
Burger	DeRaad	Hugoson	Kelso	Marsh

McDonald	Ogren	Price	Schreiber	Tunheim
McEachern	Olsen, S.	Quinn	Seaberg	Uphus
McKasy	Olson, E.	Quist	Segal	Valento
McLaughlin	Olson, K.	Redalen	Shaver	Vellenga
McPherson	Omann	Reding	Simoneau	Voss
Milbert	Onnen	Rest	Skoglund	Wagenius
Miller	Orenstein	Rice	Solberg	Waltman
Morrison	Osthoff	Richter	Stanius	Welle
Munger	Otis	Riveness	Steensma	Wenzel
Murphy	Ozment	Rodosovich	Swiggum	Winter
Nelson, C.	Pappas	Rose	Swenson	Wynia
Nelson, D.	Pauly	Rukavina	Thiede	Spk. Vanasek
Nelson, K.	Pelowski	Sarna	Tjornhom	
Neuenschwander	Peterson	Schafer	Tompkins	
O'Connor	Poppenhagen	Scheid	Trimble	

The motion prevailed and the amendment was adopted.

Olsen, S.; Heap; Clausnitzer; Stanius; Valento; DeRaad; Tjornhom; Richter; Hugoson; Frederick and Swenson moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 15, after line 21, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be an amount not to exceed the lesser of ~~66 70~~ percent of the salary or ~~\$18,400~~ \$19,500. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of ~~66 70~~ percent of the salary or the product of ~~\$18,400~~ \$19,500 times the ratio of the person's actual employment to full-time employment."

Page 16, after line 31, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that school year for services rendered in that district or center's secondary vocational education programs for handicapped children. The portion for a full-time person shall be an amount not to exceed the lesser of ~~66 70~~ percent of the salary or ~~\$18,400~~ \$19,500. The portion for a part-time or limited-time person shall be the lesser of ~~66 70~~ percent of the salary or the product of ~~\$18,400~~ \$19,500 times the ratio of the person's actual employment to full-time employment.

Sec. 5. [124A.245] [LEVY EQUITY REDUCTIONS.]

A district subject to levy equity according to section 124A.24 and receiving additional special education aid because of the increase in the reimbursement rate for the 1988-1989 school year under section 124.32, subdivision 1b, 124.574, subdivision 2b, or 275.125, subdivision 8c, shall have its levy equity deduction reduced in an amount equal to the increase in additional special education funding until the levy equity deduction is equal to zero.

Page 18, after line 16, insert:

“Sec. 7. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 8c, is amended to read:

Subd. 8c. [SPECIAL EDUCATION LEVY.] Each year, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed ~~66~~ 70 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to ~~66~~ 70 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the member districts of the cooperative or the intermediate district. The member districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among member districts, for purposes of the member districts making a levy under this subdivision, shall provide information to the state department of education on the amount of unreimbursed costs of salaries they allocated to the member districts.”

Page 19, after line 22, insert:

“Sec. 8. [LEVY ADJUSTMENT.]

The department of education shall subtract the levy reduction computed in section 5 from the districts' levies certified in 1988 for the 1989-1990 school year.”

Page 20, after line 33, insert:

“Subd. 4. [SPECIAL EDUCATION.] For regular special education aid, there is appropriated:

\$13,575,000 1989.

This amount is in addition to any other appropriation for regular special education aid.”

Page 46, delete lines 10 to 36

Page 49, delete lines 30 to 36

Page 50, delete lines 1 to 4

Page 50, delete lines 10 to 15

Correct all internal cross references

Renumber subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 49 yeas and 72 nays as follows:

Those who voted in the affirmative were:

- | | | | | |
|-------------|---------------|-------------|-----------|----------|
| Bennett | Heap | McPherson | Redalen | Sviggum |
| Blatz | Himle | Miller | Richter | Swenson |
| Burger | Hugoson | Morrison | Rose | Thiede |
| Clausnitzer | Johnson, R. | Olsen, S. | Schafer | Tjornhom |
| Dempsey | Johnson, V. | Omam | Schreiber | Tompkins |
| DeRaad | Knickerbocker | Onnen | Seaberg | Uphus |
| Forsythe | Krueger | Ozment | Shaver | Valento |
| Frederick | Marsh | Pauly | Solberg | Waltman |
| Gruenes | McDonald | Poppenhagen | Stanius | Winter |
| Haukoos | McKasy | Quist | Steensma | |

Those who voted in the negative were:

Anderson, G.	Dorn	Larsen	Olson, K.	Scheid
Battaglia	Greenfield	Lasley	Orenstein	Simoneau
Bauerly	Gutknecht	Lieder	Osthoff	Skoglund
Beard	Jacobs	Long	Otis	Trimble
Begich	Jefferson	McEachern	Pappas	Tunheim
Bertram	Jensen	McLaughlin	Pelowski	Vellenga
Boo	Johnson, A.	Minne	Peterson	Voss
Brown	Kahn	Munger	Quinn	Wagenius
Carlson, L.	Kalis	Murphy	Reding	Welle
Carruthers	Kelly	Nelson, C.	Rest	Wenzel
Clark	Kelso	Nelson, K.	Rice	Wynia
Cooper	Kinkel	Neuenschwander	Riveness	Spk. Vanasek
Dauner	Kludt	O'Connor	Rodosovich	
Dawkins	Knuth	Ogren	Rukavina	
DeBlicke	Kostohryz	Olson, E.	Sarna	

The motion did not prevail and the amendment was not adopted.

Gutknecht offered an amendment to H. F. No. 2245, the second engrossment, as amended.

POINT OF ORDER

Nelson, K., raised a point of order pursuant to rule 3.9 that the Gutknecht amendment was not in order. Speaker pro tempore Long ruled the point of order well taken and the amendment out of order.

McDonald, Winter, Beard, Valento, Scheid, Pauly, Richter and Morrison moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 70, after line 27, insert:

"Sec. 34. Minnesota Statutes 1986, section 126.14, subdivision 1, is amended to read:

Subdivision 1. [DISPLAYED BY SCHOOLS.] There shall be displayed at every public school in Minnesota when in session an appropriate United States flag. Such display shall be upon the school grounds or outside the school building, upon a proper staff, on every legal holiday occurring during the school term and at such other times as the respective boards of such districts may direct and within the principal rooms of such school building at all other times while the same is in session. Each public school shall include in its course of instruction each school year, a program or course in flag etiquette, including, but not limited to the proper handling, care, display of, and respect for the American flag."

Amend the title as follows:

Page 2, line 7, after the first semicolon insert "126.14, subdivision 1,"

A roll call was requested and properly seconded.

Nelson, K., moved to amend the McDonald et al amendment to H. F. No. 2245, the second engrossment, as amended, as follows:

Page 1, line 25, delete "shall" insert "may"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 69 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Lasley	Olson, K.	Segal
Battaglia	Hartle	Lieder	Osthoff	Simoneau
Bauerly	Jefferson	Long	Otis	Skoglund
Begich	Jensen	McEachern	Pappas	Solberg
Bertram	Johnson, A.	McLaughlin	Pelowski	Steensma
Bishop	Kahn	Minne	Peterson	Trimble
Brown	Kalis	Munger	Price	Tunheim
Carlson, D.	Kelly	Murphy	Reding	Vellenga
Carlson, L.	Kelso	Nelson, D.	Rest	Voss
Clark	Kinkel	Nelson, K.	Riveness	Wagenius
Dauner	Kludt	Neuenschwander	Rodosovich	Welle
Dawkins	Kostohryz	O'Connor	Rose	Wynia
DeBlicek	Krueger	Ogren	Rukavina	Spk. Vanasek
Dorn	Larsen	Olson, E.	Sarna	

Those who voted in the negative were:

Anderson, R.	Frederick	Marsh	Ozment	Stanius
Beard	Gruenes	McDonald	Pauly	Sviggum
Bennett	Gutknecht	McKasy	Poppenhagen	Swenson
Blatz	Haukoos	McPherson	Quinn	Thiede
Boo	Heap	Milbert	Quist	Tjornhom
Burger	Himle	Miller	Redalen	Tompkins
Carruthers	Hugoson	Morrison	Richter	Uphus
Clausnitzer	Jacobs	Nelson, C.	Schafer	Valento
Cooper	Johnson, R.	Olsen, S.	Scheid	Waltman
Dempsey	Johnson, V.	Omann	Schreiber	Wenzel
DeRaad	Knickerbocker	Onnen	Seaberg	Winter
Forsythe	Knuth	Orenstein	Shaver	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the McDonald et al amendment, as amended, and the roll was called. There were 123 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lieder	Orenstein	Segal
Anderson, R.	Gutknecht	Long	Osthoff	Shaver
Battaglia	Hartle	Marsh	Ozment	Simoneau
Bauerly	Haukoos	McDonald	Pappas	Skoglund
Beard	Heap	McEachern	Pauly	Solberg
Begich	Himle	McKasy	Pelowski	Stanius
Bennett	Hugoson	McLaughlin	Peterson	Steensma
Bertram	Jacobs	McPherson	Poppenhagen	Sviggum
Bishop	Jefferson	Milbert	Price	Swenson
Blatz	Jennings	Miller	Quinn	Thiede
Brown	Jensen	Minne	Quist	Tjornhom
Burger	Johnson, A.	Morrison	Redalen	Tompkins
Carlson, D.	Johnson, R.	Munger	Reding	Trimble
Carlson, L.	Johnson, V.	Murphy	Rest	Tunheim
Carruthers	Kalis	Nelson, C.	Rice	Uphus
Clark	Kelly	Nelson, D.	Richter	Valento
Clausnitzer	Kelso	Nelson, K.	Riveness	Voss
Cooper	Kinkel	Neuenschwander	Rodosovich	Wagenius
Dauner	Kludt	O'Connor	Rose	Waltman
DeBlieck	Knickerbocker	Ogren	Rukavina	Welle
Dempsey	Knuth	Olsen, S.	Sarna	Wenzel
DeRaad	Kostohryz	Olson, E.	Schafer	Winter
Dorn	Krueger	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Larsen	Omamm	Schreiber	
Frederick	Lasley	Onnen	Seaberg	

Those who voted in the negative were:

Dawkins Greenfield Kahn

The motion prevailed and the amendment, as amended, was adopted.

McPherson, Hugoson, Heap, Swenson and Morrison moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 29, after line 6, insert:

"Sec. 14. [126.116] [FAMILY LIFE EDUCATION.]

Subdivision 1. [COURSE REQUIREMENT.] Every public secondary school shall require a course in family life education. The course must be at least one semester, or its equivalent, in length and must be offered in grade ten, 11, or 12. For purposes of this section, family life education includes, but is not limited to instruction in the following areas:

(1) the financial, social, and personal implications of marriage and child-rearing;

(2) parent education and child care;

(3) family dynamics;

- (4) communication and interpersonal relationships;
- (5) skills for violence-free relationships;
- (6) understanding of self;
- (7) adolescent pregnancy;
- (8) intergenerational understanding;
- (9) decision-making and management of personal resources;
- (10) consumer education; and
- (11) personal and family wellness.

Subd. 2. [GRADUATION REQUIREMENT.] A public school pupil must receive a passing grade in a family life education course, as required in subdivision 1, before graduating from a public high school in Minnesota.

Subd. 3. [DEVELOPMENT OF PLAN.] By September, 1988, each school district must develop a plan for integrating the concepts of family life education into the district's kindergarten through grade twelve curriculum. The plan must include in-service training for teachers who provide instruction in components of family life education but who are not required to hold licensure in family life education under section . . . The plan must be submitted to the department of education with the annual planning, evaluation, and reporting report required in section 126.66."

Page 31, after line 34, insert:

"Sec. 16. [FAMILY LIFE EDUCATION LICENSURE.]

A person who provides instruction in family life education at the secondary level must hold licensure in that area if one-half or more of the content of any course taught is one of the areas of family life education as defined in section . . . A person who provides instruction in family life education at the elementary level must hold a license in that area if one-third or more of the person's annual classroom teaching assignment is in one or more of the areas of family life education as defined in section . . ."

Page 31, after line 34, insert:

"Sec. . . . [RULES AMENDMENT.]

The board of teaching shall amend its rules to conform to section . . . In amending the rules, the board shall comply with the rulemaking provisions of chapter 14."

Page 33, after line 3, insert:

"Sec. . . . [EFFECTIVE DATE.]

Section . . . subdivisions 1 and 2, and section .. are effective for the 1990-1991 school year and thereafter."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Kelso; Olsen, S., and Tjornhom moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 8, after line 26, insert:

"Sec. 14. [COST-OF-LIVING STUDY.]

The department of education shall conduct a study of the differences in the cost of housing, labor, transportation, food, services and other factors relating to the cost of living in different regions of the state."

Renumber subsequent sections

The motion prevailed and the amendment was adopted.

Thiede moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 59, delete lines 11 through 36

Delete page 60

Page 61, delete lines 1 through 28

Page 69, delete lines 14 through 25

Page 76, delete lines 11 through 20

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called. There were 26 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Boo	Hartle	McPherson	Richter	Uphus
Burger	Hugoson	Miller	Rose	Waltman
Clausnitzer	Johnson, V.	Onnen	Schafer	
Dempsey	Kelso	Poppenhagen	Svigum	
Frederick	Marsh	Quinn	Swenson	
Frerichs	McDonald	Quist	Thiede	

Those who voted in the negative were:

Anderson, G.	DeRaad	Larsen	Orenstein	Shaver
Anderson, R.	Dorn	Lasley	Osthoff	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Long	Ozment	Solberg
Beard	Haukoos	McEachern	Pappas	Steensma
Begich	Himle	McLaughlin	Pauly	Tompkins
Bennett	Jacobs	Milbert	Pelowski	Trimble
Bertram	Jennings	Minne	Peterson	Tunheim
Bishop	Jensen	Munger	Price	Vellenga
Blatz	Johnson, A.	Murphy	Redalen	Voss
Brown	Johnson, R.	Nelson, D.	Reding	Wagenius
Carlson, D.	Kahn	Nelson, K.	Rest	Welle
Carlson, L.	Kelly	Neuenschwander	Riveness	Wenzel
Carruthers	Kinkel	O'Connor	Rodosovich	Winter
Clark	Kludt	Ogren	Rukavina	Wynia
Cooper	Knickerbocker	Olsen, S.	Sarna	Spk. Vanasek
Dauner	Knuth	Olson, E.	Scheid	
Dawkins	Kostohryz	Olson, K.	Seaberg	
DeBlicek	Krueger	Omann	Segal	

The motion did not prevail and the amendment was not adopted.

McDonald moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 2, line 44, delete "\$2785" and insert "\$2797"

Page 46, delete lines 10 to 36

Page 47, delete lines 1 to 4

Page 47, line 26, delete "The total desegregation expenditures"

Page 47, delete lines 27 to 30 and insert "3.5 mills times the adjusted assessed valuation of the district."

Page 49, delete lines 30 to 36

Page 50, delete lines 1 to 4

Page 50, line 13, delete "\$6,004,200 is for special school district"

Page 50, line 14, delete "No. 1, Minneapolis, \$5,127,400" and insert "\$4,060,000"

Page 50, line 15, delete "\$868,400" and insert "\$1,720,470"

Correct all internal cross references

Renumber subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

Nelson, K., moved to amend the McDonald amendment to H. F. No. 2245, the second engrossment, as amended, as follows:

Page 1, after line 3, add "Page 34, delete lines 16 to 21"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 69 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jefferson	Lasley	Otis	Trimble
Battaglia	Jennings	Lieder	Pappas	Tunheim
Bauerly	Jensen	Long	Pelowski	Vellenga
Beard	Johnson, A.	McEachern	Price	Voss
Begich	Johnson, R.	McLaughlin	Quinn	Wagenius
Bertram	Kahn	Milbert	Rest	Wenzel
Brown	Kalis	Minne	Rice	Winter
Carlson, L.	Kelly	Munger	Rodosovich	Wynia
Carruthers	Kelso	Murphy	Rukavina	Spk. Vanasek
Clark	Kinkel	Nelson, K.	Scheid	
Dauner	Kludt	Neuenschwander	Segal	
Dawkins	Knuth	O'Connor	Simoneau	
DeBlieck	Kostohryz	Ogren	Skoglund	
Dorn	Krueger	Orenstein	Solberg	
Greenfield	Larsen	Osthoff	Steensma	

Those who voted in the negative were:

Bennett	Gruenes	McPherson	Quist	Sviggum
Boo	Gutknecht	Miller	Redalen	Swenson
Burger	Hartle	Morrison	Reding	Thiede
Carlson, D.	Haukoos	Nelson, C.	Richter	Tjornhom
Clausnitzer	Heap	Olsen, S.	Riveness	Tompkins
Cooper	Himle	Olson, E.	Rose	Uphus
Dempsey	Hugoson	Olson, K.	Sarna	Valento
DeRaad	Johnson, V.	Omann	Schafer	Waltman
Dille	Knickerbocker	Onnen	Schreiber	
Forsythe	Marsh	Pauly	Seaberg	
Frederick	McDonald	Peterson	Shaver	
Frerichs	McKasy	Poppenhagen	Stanius	

The motion prevailed and the amendment to the amendment was adopted.

CALL OF THE HOUSE

On the motion of Nelson, K., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Battaglia	Frerichs	Larsen	Onnen	Segal
Bauerly	Greenfield	Lasley	Orenstein	Shaver
Beard	Gruenes	Lieder	Osthoff	Skoglund
Begich	Gutknecht	Long	Otis	Solberg
Bennett	Hartle	Marsh	Ozment	Stanius
Bertram	Haukoos	McDonald	Pappas	Steensma
Bishop	Heap	McEachern	Pelowski	Sviggum
Blatz	Himle	McKasy	Peterson	Swenson
Brown	Hugoson	McLaughlin	Poppenhagen	Thiede
Burger	Jacobs	McPherson	Price	Tjornhom
Carlson, D.	Jefferson	Milbert	Quinn	Tompkins
Carlson, L.	Jennings	Miller	Quist	Trimble
Carruthers	Jensen	Minne	Redalen	Tunheim
Clark	Johnson, A.	Munger	Reding	Uphus
Clausnitzer	Johnson, R.	Murphy	Rest	Valento
Cooper	Johnson, V.	Nelson, C.	Rice	Vellenga
Dauner	Kahn	Nelson, D.	Richter	Voss
Dawkins	Kelly	Nelson, K.	Riveness	Waltman
DeBlieck	Kelso	Neuenschwander	Rodosovich	Welle
Dempsey	Kinkel	O'Connor	Rose	Wenzel
DeRaad	Kludt	Ogren	Rukavina	Winter
Dille	Knickerbocker	Olsen, S.	Sarna	Wynia
Dorn	Knuth	Olson, E.	Schafer	
Forsythe	Kostohryz	Olson, K.	Scheid	

Wynia 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 Speaker resumed the Chair.

The question recurred on the McDonald amendment, as amended, and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Knickerbocker	Poppenhagen	Swenson
Beard	Gruenes	Marsh	Quinn	Thiede
Bennett	Gutknecht	McDonald	Quist	Tjornhom
Blatz	Hartle	McKasy	Redalen	Tompkins
Burger	Haukoos	McPherson	Richter	Uphus
Carlson, D.	Heap	Miller	Rose	Valento
Clausnitzer	Himle	Morrison	Schreiber	Waltman
Dempsey	Hugoson	Olsen, S.	Seaberg	
DeRaad	Jacobs	Omamm	Shaver	
Forsythe	Jennings	Onnen	Stanius	
Frederick	Johnson, V.	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lieder	Orenstein	Segal
Battaglia	Jefferson	Long	Osthoff	Skoglund
Bauerly	Jensen	McEachern	Otis	Solberg
Begich	Johnson, A.	McLaughlin	Ozment	Steensma
Bertram	Johnson, R.	Milbert	Pappas	Trimble
Bishop	Kahn	Minne	Pelowski	Tunheim
Boo	Kalis	Munger	Peterson	Vellenga
Brown	Kelly	Murphy	Price	Voss
Carlson, L.	Kelso	Nelson, C.	Reding	Wagenius
Clark	Kinkel	Nelson, D.	Rest	Welle
Cooper	Kludt	Nelson, K.	Rice	Wenzel
Dauner	Knuth	Neuenschwander	Riveness	Winter
Dawkins	Kostohryz	O'Connor	Rodosovich	Wynia
DeBlieck	Krueger	Ogren	Rukavina	Spk. Vanasek
Dille	Larsen	Olson, E.	Sarna	
Dorn	Lasley	Olson, K.	Scheid	

The motion did not prevail and the amendment, as amended, was not adopted.

Boo and Bishop were excused while in conference.

Hartle moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 75, after line 34, insert:

"Sec. 45. Minnesota Statutes 1987 Supplement, section 129B.11, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for a grant, a group of districts must meet one of the following criteria:

(1) create a consolidated district according to section 122.23, with the consolidated school district having at least 600 pupils in average daily membership;

(2) establish an education district according to section 122.91;

(3) form a group of districts that has an agreement under section 122.535 or 122.541 for discontinuing grades when the districts entering into the agreement have a total of at least 240 pupils in average daily membership in grades ten, 11, and 12; or

(4) enter into a joint powers agreement for a technology cooperative where the school districts in the cooperative are contiguous ~~but are significant distances apart so that other forms of cooperation are not practical~~ and comprise an area of at least 500 square miles."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Forsythe was excused for the remainder of today's session.

Carlson, D., moved to amend H. F. No. 2245, the second engrossment, as amended, as follows:

Page 64, after line 14, insert:

"Sec. 27. [123.682] [CONTRACT REQUIRED.]

Notwithstanding any law to the contrary, a school district may not hold classes for pupils beginning with the 1988-1989 school year until the district and the exclusive representative of the teachers have signed a contract under chapter 179A."

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Begich raised a point of order pursuant to rule 3.9 that the Carlson, D., 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 Carlson, D., amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 43 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Kludt	Poppenhagen	Sviggum
Anderson, R.	Gutknecht	Marsh	Price	Thiede
Blatz	Himle	McDonald	Redalen	Tjornhom
Carlson, D.	Hugoson	McKasy	Rose	Tompkins
Clausnitzer	Jensen	McPherson	Schafer	Uppus
Dempsey	Johnson, R.	Miller	Schreiber	Valento
DeRaad	Johnson, V.	Onnen	Seaberg	Waltman
Dille	Kalis	Pauly	Shaver	
Frederick	Kinkel	Pelowski	Solberg	

Those who voted in the negative were:

Battaglia	Gruenes	Lieder	Omann	Scheid
Bauerly	Hartle	Long	Orenstein	Segal
Beard	Haukoos	McBachern	Osthoff	Skoglund
Begich	Heap	McLaughlin	Otis	Stanius
Bennett	Jacobs	Milbert	Ozment	Steensma
Bertram	Jefferson	Minne	Pappas	Swenson
Brown	Jennings	Morrison	Peterson	Trimble
Burger	Johnson, A.	Murphy	Quinn	Tunheim
Carlson, L.	Kahn	Nelson, C.	Quist	Vellenga
Carruthers	Kelly	Nelson, D.	Reding	Voss
Clark	Kelso	Nelson, K.	Rest	Wagenius
Cooper	Knickerbocker	Neuenschwander	Rice	Welle
Dauner	Knuth	O'Connor	Richter	Wenzel
Dawkins	Kostohryz	Ogren	Riveness	Winter
DeBlick	Krueger	Olsen, S.	Rodosovich	Wynia
Dorn	Larsen	Olson, E.	Rukavina	Spk. Vanasek
Greenfield	Lasley	Olson, K.	Sarna	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2245, A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formu-

las; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; making technical corrections to the cooperative secondary facilities grant act; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.14, subdivision 1; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.494, subdivisions 5 and 6; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivisions 1 and 2, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

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.

Krueger 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.	Greenfield	Lasley	Orenstein	Segal
Anderson, R.	Gruenes	Lieder	Osthoff	Shaver
Battaglia	Gutknecht	Long	Otis	Skoglund
Bauerly	Hartle	Marsh	Ozment	Solberg
Beard	Haukoos	McDonald	Pappas	Stanius
Begich	Heap	McEachern	Pauly	Steensma
Bennett	Himle	McKasy	Pelowski	Sviggum
Bertram	Hugoson	McLaughlin	Peterson	Swenson
Blatz	Jacobs	McPherson	Poppenhagen	Thiede
Brown	Jefferson	Milbert	Price	Tjornhom
Burger	Jennings	Miller	Quinn	Tompkins
Carlson, D.	Jensen	Minne	Quist	Trimble
Carlson, L.	Johnson, A.	Morrison	Redalen	Tunheim
Carruthers	Johnson, R.	Munger	Reding	Uphus
Clark	Johnson, V.	Murphy	Rest	Valento
Clausnitzer	Kahn	Nelson, C.	Rice	Vellenga
Cooper	Kalis	Nelson, D.	Richter	Voss
Dauner	Kelly	Nelson, K.	Riveness	Wagenius
Dawkins	Kelso	Neuenschwander	Rodosovich	Waltman
DeBlieck	Kinkel	O'Connor	Rose	Welle
Dempsey	Kludt	Ogren	Rukavina	Wenzel
DeRaad	Knickerbocker	Olsen, S.	Sarna	Winter
Dille	Knuth	Olson, E.	Schafer	Wynia
Dorn	Kostohryz	Olson, K.	Scheid	Spk. Vanasek
Frederick	Krueger	Omann	Schreiber	
Frerichs	Larsen	Onnen	Seaberg	

The bill was passed, as amended, and its title agreed to.

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Beard moved that the names of Orenstein and Stanius be added as authors on H. F. No. 2470. The motion prevailed.

Segal moved that the name of Osthoff be added as an author on H. F. No. 2775. The motion prevailed.

Clark moved that H. F. No. 2019, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Reding moved that H. F. No. 2303 be returned to its author. The motion prevailed.

Orenstein moved that H. F. No. 2453 be returned to its author. The motion prevailed.

Trimble moved that H. F. No. 2298 be returned to its author. The motion prevailed.

McLaughlin, Shaver, Ogren, Schreiber and Jefferson introduced:

House Resolution No. 53, A House resolution designating May 11 as Commonwealth Day.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, March 24, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, March 24, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 24, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Kathi Austin Mahle, Champlin and Riverview United Methodist Churches, Champlin and Brooklyn Park, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Omann	Schreiber
Anderson, R.	Frerichs	Larsen	Onnen	Seaberg
Battaglia	Greenfield	Lasley	Orenstein	Segal
Bauerly	Gruenes	Lieder	Osthoff	Shaver
Begich	Gutknecht	Long	Otis	Simoneau
Bennett	Hartle	Marsh	Ozment	Skoglund
Bertram	Haukoos	McDonald	Pappas	Solberg
Bishop	Heap	McEachern	Pauly	Sparby
Blatz	Himle	McKasy	Pelowski	Steensma
Boo	Hugoson	McLaughlin	Peterson	Sviggun
Brown	Jacobs	McPherson	Poppenhagen	Swenson
Burger	Jaros	Milbert	Price	Thiede
Carlson, D.	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
DeRaad	Kludt	Ogren	Rukavina	Welle
Dille	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dorn	Knuth	Olson, E.	Schafer	Winter
Forsythe	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

A quorum was present.

Stanius was excused.

Jefferson was excused until 1:40 p.m. Beard was excused until 3:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Osthoff 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. 2245 and S. F. Nos. 1948, 1970, 2117, 2137, 1701, 1721, 1742, 1749, 1826, 1822, 995, 1086, 1121, 1564, 1587, 1867, 1875, 1918, 1861, 1228, 1620, 1646, 1673 and 1686 have been placed in the members' files.

S. F. No. 1701 and H. F. No. 2653, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orenstein moved that the rules be so far suspended that S. F. No. 1701 be substituted for H. F. No. 2653 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1875 and H. F. No. 2115, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McLaughlin moved that the rules be so far suspended that S. F. No. 1875 be substituted for H. F. No. 2115 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1673 and H. F. No. 1822, 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. 1673 be substituted for H. F. No. 1822 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1822 and H. F. No. 2091, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jacobs moved that S. F. No. 1822 be substituted for H. F. No. 2091 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1970 and H. F. No. 2415, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dauner moved that S. F. No. 1970 be substituted for H. F. No. 2415 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1646 and H. F. No. 1794, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

DeBlicek moved that the rules be so far suspended that S. F. No. 1646 be substituted for H. F. No. 1794 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1721 and H. F. No. 2584, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pappas moved that the rules be so far suspended that S. F. No. 1721 be substituted for H. F. No. 2584 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2137 and H. F. No. 2441, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelso moved that the rules be so far suspended that S. F. No. 2137 be substituted for H. F. No. 2441 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1686 and H. F. No. 2364, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical.

Brown moved that S. F. No. 1686 be substituted for H. F. No. 2364 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1749 and H. F. No. 1860, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions:

SUSPENSION OF RULES

Sarna moved that the rules be so far suspended that S. F. No. 1749 be substituted for H. F. No. 1860 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1948 and H. F. No. 2016, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rukavina moved that S. F. No. 1948 be substituted for H. F. No. 2016 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1620 and H. F. No. 2080, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dorn moved that S. F. No. 1620 be substituted for H. F. No. 2080 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1564 and H. F. No. 1733, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dempsey moved that the rules be so far suspended that S. F. No. 1564 be substituted for H. F. No. 1733 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1587 and H. F. No. 1952, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, A., moved that the rules be so far suspended that S. F. No. 1587 be substituted for H. F. No. 1952 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2117 and H. F. No. 2197, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rose moved that the rules be so far suspended that S. F. No. 2117 be substituted for H. F. No. 2197 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1742 and H. F. No. 1991, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 1742 be substituted for H. F. No. 1991 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1867 and H. F. No. 1996, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 1867 be substituted for H. F. No. 1996 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 22, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1884, relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 23, 1988

The Honorable Robert Vanasek
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 1988 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.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1988</i>	<i>Date Filed</i> <i>1988</i>
1594		411	March 22	March 22
	1884	412	March 22	March 22

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 125, A bill for an act relating to financial institutions; permitting interstate banking with an additional reciprocating state; amending Minnesota Statutes 1986, section 48.92, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 48.92, subdivision 7, is amended to read:

Subd. 7. [RECIPROCATING STATE.] "Reciprocating state" is: (1) a state that authorizes the acquisition, directly or indirectly, or control of, banks in that state by a bank or bank holding company located in this state under conditions substantially similar to those imposed by the laws of Minnesota as determined by the commissioner; and (2) limited to the states of Iowa, North Dakota, South Dakota, and Wisconsin, Idaho, Montana, Nebraska, Washington, and Wyoming.

Sec. 2. Minnesota Statutes 1986, section 48.93, subdivision 4, is amended to read:

Subd. 4. [DISAPPROVAL.] The commissioner shall disapprove any proposed acquisition if:

(1) the financial condition of any acquiring person is such as might jeopardize the financial stability of the bank or prejudice the interests of the depositors of the bank;

(2) the competence, experience, integrity of any acquiring person or of any of the proposed management personnel indicates that it would not be in the interest of the depositors of the bank, or in the interest of the public to permit the person to control the bank;

(3) the acquisition will result in undue concentration of resources or substantial lessening of competition in this state;

(4) the application fails to adequately demonstrate that the acquisition proposal would bring net new funds into Minnesota; or

(5) the application is incomplete or any acquiring party neglects,

fails, or refuses to furnish all the information required by the commissioner;

(6) the bank has failed to meet the requirements set forth in the federal Community Reinvestment Act, and sections 48.97, 48.991, and 48.993; or

(7) the acquisition will result in over 30 percent of Minnesota's total banking deposits being held by banks located in this state owned by a reciprocating state bank holding company. This limitation shall not apply to consideration for approval pursuant to section 48.99, special acquisitions.

Sec. 3. Minnesota Statutes 1986, section 48.95, subdivision 1, is amended to read:

Subdivision 1. [DIVESTITURE; CEASE AND DESIST.] In the event a reciprocating state bank holding company makes an acquisition other than in full compliance with the requirements and procedures of Laws 1986, chapter 339, the commissioner may:

(1) by order immediately require the reciprocating state bank holding company to divest itself of its direct or indirect ownership or control of any bank located in this state; or

(2) by order require the reciprocating state bank holding company to cease and desist the violations by a date certain. The order would be subject to the procedures applicable to cease and desist proceedings pursuant to sections 46.23 to 46.33 and any applicable rules; or

(3) in the event control of a bank located in this state is acquired by a bank holding company that is not a reciprocating state bank holding company as a result of change of control of a reciprocating state bank holding company, the acquiring bank holding company shall divest itself of control of the bank located in this state within two years of the date of its acquisition of control of the bank.

Sec. 4. Minnesota Statutes 1986, section 48.991, is amended to read:

48.991 [DEVELOPMENTAL LOANS.]

A financial institution located in this state owned by an interstate bank holding company shall provide a level of developmental loans as defined by the commissioner by rule. In establishing the developmental loan levels for financial institutions, the commissioner may consider the developmental loan performance of financially stable financial institutions of comparable or smaller size that have above average levels of activity in developmental loans in reciprocating states as defined in section 48.92, subdivision 7. A "develop-

mental loan" includes, but is not limited to, (1) loans for low and moderate income housing, loans to community development corporations, loans to woman and minority owned businesses, student education loans, and alternative energy or energy conservation loans, and (2) loans within distressed areas and on any Indian reservation for any commercial nonreal estate purpose, home loans, home improvement loans, and operating loans to family farmers. The commissioner of commerce shall annually designate distressed areas. A distressed area may be made for a geographic region smaller than a county within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. The determination of a distressed area should be made on the area's unemployment rate, economic conditions, and credit needs.

Sec. 5. [48.993] [ANNUAL REPORTING OF COMMUNITY RE-INVESTMENT ACTIVITIES BY BANKS.]

Subdivision 1. [INVESTMENT; REPORTING REQUIREMENTS.] Every bank organized under the laws of this state or the United States and doing business in this state as defined by section 48.92, subdivision 6, clause (1), shall fully and accurately disclose in an annual report to the commissioner of commerce the same information required of financial institutions located in this state owned by an interstate bank holding company pursuant to section 48.97, subdivisions 2 to 4, and the rules adopted in connection with sections 48.97 and 48.991.

Subd. 2. [COMPLIANCE BY BANK HOLDING COMPANIES.] Any corporation qualifying as a bank holding company as defined in the Bank Holding Company Act of 1956, as amended, with banking subsidiaries described in subdivision 1, must meet the requirements of this section in the event of noncompliance with this section for any reason by their banking subsidiaries.

Subd. 3. [FAILURE TO COMPLY.] Failure to comply with this section by any bank or bank holding company is to be considered a violation for purposes of chapter 45. Violators are subject to the penalties in section 45.027."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating reciprocal interstate banking; permitting interstate banking with additional states; requiring banks to report on community reinvestment activities; amending Minnesota Statutes 1986, sections 48.92, subdivision 7; 48.93, subdivision 4; 48.95, subdivision 1; and 48.991; proposing coding for new law in Minnesota Statutes, chapter 48."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 445, A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

“Subd. 4. [ADDITIONAL ACQUISITIONS.] Any bank holding company, other than a reciprocating state bank holding company, as defined in section 48.92, subdivision 8, that directly or indirectly acquires control of a bank located in this state under the provisions of this section may not directly or indirectly acquire control of any other bank located in this state until the bank holding company becomes a reciprocating state bank holding company. This section shall not prohibit the bank holding company from being granted a charter for a de novo bank in this state. A de novo bank authorized by this section may establish de novo detached facilities pursuant to Minnesota law, but may not acquire existing banks or detached facilities through merger, consolidation, or purchase and assumption.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Metropolitan Affairs to which was referred:

H. F. No. 1874, A bill for an act relating to the metropolitan airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

“Sec. 2. [ENVIRONMENTAL REVIEW.]

The commission shall prepare an environmental impact statement under Minnesota Statutes, chapter 116D on the environmental effects of the commission’s capital improvement plan at each airport owned and operated by the commission. The scope of statements required under this section is limited to only those projects in the plan for an airport that meet the following conditions:

(a) The project will be financed in whole or part by bonds issued under section 1.

(b) The project requires the construction of a new, or the expansion of an existing, structure for handling passengers, ground traffic, or aircraft maintenance.

(c) An environmental review on the project individually has not already begun under state or federal law.

(d) The project has not previously been subject to environmental review under this section.

A project for which all governmental decisions that are necessary to authorize construction have been made before the effective date of this section may proceed, but the project must be included in the environmental review required by this section.

Sec. 3. [REPORT.]

The commission shall report to the legislature by January 1, 1989, on the conditions that it has attached or proposes to attach to leases and to action on projects in its capital improvement plan, for the purpose of advancing the commission's noise control program at airports owned and operated by the commission."

Renumber sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for environmental review and reports;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2010, A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

Reported the same back with the following amendments:

Page 2, delete lines 24 to 27 and insert:

“(1) failure to purchase and maintain at least one credit union share or to pay entrance or membership fees, if any; or

(2) causing monetary loss to the credit union.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 2201, A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.22, subdivision 2; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivision 6; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [48.194] [INSTALLMENT SALES CONTRACTS; LOANS.]

A person may enter into a credit sale or service contract for sale to a state or national bank doing business in this state, and a bank

may purchase and enforce the contract under the terms and conditions set forth in section 66, subdivision 2. A state bank or national bank may extend credit pursuant to the terms and conditions set forth in section 66.

Sec. 2. Minnesota Statutes 1986, section 51A.02, is amended to read:

51A.02 [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in sections 51A.01 to 51A.57, the words and phrases defined in this section have the meanings given them, except to the extent that any such word or phrase specifically is qualified by its context.

Subd. 2. [AFFILIATE.] "Affiliate" means a person or organization controlled by, controlling, or under common control with another person or organization.

Subd. 3. [AGREEMENT.] "Agreement" means the bargain of the parties in fact as found in their contract language or by implication from other circumstances including course of dealings, usage of trade, or course of performance.

Subd. 4. [AGRICULTURAL PURPOSE.] "Agricultural purpose" means a purpose relating to the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and their products, including processed and manufactured products, and products raised or produced on farms, including processed or manufactured products.

Subd. 5. [AMOUNT FINANCED.] "Amount financed" has the meaning given the term in the Code of Federal Regulations, title 12, part 226.

Subd. 6. [ANNUAL PERCENTAGE RATE.] "Annual percentage rate" has the meaning given the term in the Code of Federal Regulations, title 12, part 226.

Subd. 7. [ASSOCIATION.] "Association" means a mutual or capital stock savings association or savings and loan association subject to chartered under the provisions of sections 51A.01 to 51A.57.

Subd. 8. [BRANCH OFFICE.] "Branch office" means an office other than the home office at which deposit accounts are opened and loans are made.

Subd. 9. [BUSINESS PURPOSE.] "Business purpose" means a purpose other than personal, family, household, or agricultural purpose.

Subd. 2a 10. [CAPITAL STOCK.] "Capital stock" means the aggregate of shares of nonwithdrawable capital issued by a capital stock association, but does not include nonwithdrawable capital represented by capital certificates.

Subd. 11. [CARD ISSUER.] "Card issuer" means a person who provides credit by issuing a credit card.

Subd. 12. [CARDHOLDER.] "Cardholder" means a person to whom a credit card is issued or who has agreed with the card issuer to pay obligations arising from the issuance to or use of the card by another person.

Subd. 3 13. [COMMISSIONER.] "Commissioner" means the commissioner of commerce of the state of Minnesota.

Subd. 4. [DIRECT REDUCTION LOAN.] "Direct reduction loan" means a loan or other obligation repayable in consecutive monthly installments, equal or unequal, beginning not later than 90 days after the date of the advance, sufficient to retire the debt, interest, and principal within 40 years, the initial contract of which shall not provide for any subsequent monthly installment of interest and principal of an amount larger than any previous monthly installment, except that provisions may be contained in the contract which specify that one or more consecutive monthly installments may be lapsed to the extent that monthly installments have been made ahead of schedule or, in the event of an emergency to the borrower affecting the borrower's ability to pay, to the extent of no more than six monthly installments but that nevertheless the full amount of principal and interest shall be paid within the scheduled term of the loan; provided, that in the case of construction loans the first installment under the contract shall be payable not later than 18 months after the date of the first advance. The loan or obligation is an amortized loan.

Subd. 4a. [DIRECT REDUCTION LOAN.] Pursuant to rules the commissioner finds necessary and proper "direct reduction loan" also means renegotiable rate notes or bonds secured by mortgages or trust deeds where the notes or bonds do not exceed 95 percent of the appraised value of the security for the same.

For the purposes of this subdivision, a renegotiable rate mortgage loan is a loan issued for a term of three years to five years, secured by a mortgage maturing in not to exceed 30 years, and automatically renewable at equal intervals after the original loan term which may be up to six months shorter or longer than subsequent terms. The loan must be repayable in equal monthly installments of

principal and interest during the loan term, in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining life of the mortgage.

In the mortgage documents, the association must grant to the borrower an option to renew the loan for a new term, but not beyond the maturity date of the mortgage, at a new interest rate which shall be the association's current market rate of interest on similar loans determined 60 days before the due date of the loan; provided, that the maximum interest rate increase shall be equal to one-half of one percent per year multiplied by the number of years in the loan term with a maximum net increase of five percent over the life of the mortgage. Interest rate increases are optional with the association; net decreases from the previous loan term are mandatory.

The borrower may not be charged costs connected with the renewal of the loan.

Sixty days before the due date of the loan, the association shall send a written notification to the borrower containing the following information: (i) The date on which the entire balance of borrower's loan is due and payable; (ii) a statement that the loan will be renewed automatically by the association at the rate specified in the notice unless the borrower pays the loan by the due date; (iii) the amount of the monthly payment, calculated according to the new rate determined at the time of notice; (iv) a statement that the borrower may prepay the loan without penalty at any time after the original loan becomes due and payable; and (v) the name and phone number of an association employee who will answer the borrowers' questions concerning the information in the notice.

An applicant for a renegotiable rate mortgage loan must be given, at the time an application is requested, written disclosure materials prepared in reasonably simple terms that contain at least the following information: (i) An explanation of how a renegotiable rate mortgage differs from a standard fixed rate mortgage; (ii) an example of a renegotiable rate mortgage indicating the maximum possible interest rate increase and monthly payment calculated on that rate at the time of the first renewal; and (iii) an explanation of how the association determines what the rate will be at the end of each loan term.

Subd. 14. [CONDITIONAL SALE CONTRACT.] "Conditional sale contract" means a contract evidencing a credit sale.

Subd. 15. [CONSPICUOUS.] "Conspicuous" means, in reference to a term or clause, that it is written so that a reasonable person against whom it is to operate ought to have noticed it.

Subd. 16. [CONSUMER.] "Consumer" means the debtor to whom credit is granted in a consumer loan.

Subd. 17. [CONSUMER LOAN.] "Consumer loan" means a loan made by an association in which:

- (1) the debtor is a person other than an organization;
- (2) the debt is incurred primarily for a personal, family, household, or agricultural purpose; and
- (3) the debt is payable in installments or a finance charge is made.

Subd. 18. [CREDIT.] "Credit" means the right granted by an association to a borrower to defer payment of debt, to incur debt and defer its payment, or to purchase property or services and defer payment.

Subd. 19. [CREDIT CARD.] "Credit card" means a card or device issued under an arrangement pursuant to which a card issuer gives to a cardholder the privilege of obtaining credit from the card issuer or other person in purchasing or leasing property or services, obtaining loans, or otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according to the terms of the arrangement by transmitting information contained on the card or device orally, in writing, by mechanical or electronic methods, or in any other manner. A transaction is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

(1) identify the cardholder or evidence the cardholder's creditworthiness and credit is not obtained according to the terms of the arrangement;

(2) obtain a guarantee of payment from the cardholder's deposit account, whether or not the payment results in a credit extension to the cardholder by the card issuer; or

(3) effect an immediate transfer of funds from the cardholder's deposit account by electronic or other means, whether or not the transfer results in a credit extension to the cardholder by the card issuer.

Subd. 20. [CREDIT SALE.] "Credit sale" means a sale of goods, services, or an interest in land in which:

(1) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind; and

(2) the debt is payable in installments or a finance charge is made.

Subd. 21. [DEMAND DEPOSIT ACCOUNT.] "Demand deposit account" has the meaning given the term in the Code of Federal Regulations, title 12, part 204.

Subd. 22. [DEPOSIT ACCOUNT.] "Deposit account" means funds deposited with an association in the form of a savings account, time deposit account, NOW account, demand deposit account, or treasury and tax loan account.

Subd. 5 23. [DWELLING UNIT.] "Dwelling unit" means a single, unified combination of rooms designed for residential use by one family in a multiple dwelling unit structure, and which is not "home property."

Subd. 6 24. [EARNINGS.] "Earnings" means that part of the sources available for payment of earnings of an association which is declared payable on savings accounts from time to time by the board of directors, and is the cost of savings money to the association. Earnings also may be referred to as "interest" or "dividends."

Subd. 25. [FEDERAL ASSOCIATION.] "Federal association" means an association or savings bank with its home office in this state and chartered under the federal Home Owners' Loan Act of 1933, United States Code, title 12, sections 1461 to 1470.

Subd. 26. [FINANCE CHARGE.] "Finance charge" has the meaning given the term in the Code of Federal Regulations, title 12, part 226, except that the following will not in any event be considered a finance charge:

(1) a charge as a result of default or delinquency under section 66 if made for actual unanticipated late payment, delinquency, default, or other similar occurrence, unless the parties agree that these charges are finance charges;

(2) any additional charge under section 66, subdivision 5; or

(3) a discount, if an association purchases a contract evidencing a contract sale at less than the face amount of the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card and the purchase or satisfaction is made at less than the face amount of the obligation.

Subd. 7 27. [FINANCIAL INSTITUTION.] "Financial institution" means a thrift institution, commercial bank, trust company, credit union, industrial loan and thrift company or investment company.

Subd. 28. [HOME OFFICE.] "Home office" means the office of the association designated by it as its principal office.

Subd. 8 29. [HOME PROPERTY.] "Home property" means real estate on which there is located, or will be located pursuant to a real estate loan, either a structure designed for residential use by one family or a single condominium unit, or unit in a residential

cooperative, including all elements pertinent thereto, designed for residential use by one family in a multiple dwelling unit structure or complex, and includes fixtures, furnishings and equipment.

Subd. 9 30. [IMPAIRED CONDITION.] "Impaired condition" means a condition in which, based upon accepted examination practices, the assets of an association do not have an aggregate value equal to the aggregate amount of liabilities of the association to its creditors, including its members and all other persons.

Subd. 10 31. [IMPROVED REAL ESTATE.] "Improved real estate" means real estate on which there is a structure or an enclosure, or which is reclaimed, prepared as building lots or sites, or otherwise occupied, made better, more useful, or of greater value by care so as to provide an enjoyment thereof.

Subd. 11 32. [INSURED ASSOCIATION.] "Insured association" means an association the saving deposit accounts of which are insured wholly or in part in accordance with the provisions of sections 51A.01 to 51A.57.

Subd. 33. [LENDER CREDIT CARD.] "Lender credit card" means a credit card issued by an association or federal association.

Subd. 12 34. [LIQUID ASSETS.] "Liquid assets" means cash on hand; cash on deposit in federal home loan banks, state banks performing similar reserve functions, commercial banks, or insured savings and loan associations or federal associations, which is withdrawable upon not more than 30 days notice and which is not pledged as security for indebtedness, except that any deposits in a bank under the control or in the possession of any supervisory authority shall not be considered as liquid assets; and obligations of the United States, or such government guaranteed obligations as are approved by the Federal Savings and Loan Insurance Corporation.

Subd. 35. [LOAN.] "Loan":

(a) Except as provided in paragraph (b), "loan" includes:

(1) the creation of debt by the association's or federal association's payment of or agreement to pay money to the borrower or to a third person for the account of the borrower;

(2) the creation of debt pursuant to a lender credit card in any manner, including a cash advance or the card issuer's honoring a draft or similar order for the payment of money drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's assignee;

(3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of credit arrangement;

(4) the creation of debt by a credit to an account with the lender upon which the borrower is entitled to draw immediately;

(5) the forbearance of debt arising from a loan; and

(6) the creation of debt pursuant to open-end credit.

(b) "Loan" does not include the forbearance of debt arising from a sale or lease.

Subd. 13 36. [MEMBER.] "Member" means a person holding a savings deposit account of an a mutual association, and a person borrowing from or assuming or obligated upon a loan or interest therein held by an a mutual association, or purchasing property securing a loan or interest held by an a mutual association, and any other person obligated to an a mutual association. A joint and survivorship relationship, whether of savers or borrowers, constitutes a single membership.

Subd. 37. [MONEY MARKET DEPOSIT ACCOUNT.] "Money market deposit account" has the meaning given the term in the Code of Federal Regulations, title 12, part 561.

Subd. 14 38. [NET INCOME.] "Net income" means gross revenues for an accounting period less all expenses paid or incurred, taxes, and losses sustained as shall not have been charged to reserves pursuant to the provisions of sections 51A.01 to 51A.57.

Subd. 39. [NOW ACCOUNT.] "NOW account" has the meaning given the term in the Code of Federal Regulations, title 12, part 561.

Subd. 40. [OFFICIAL FEES.] "Official fees" means:

(1) fees and charges which actually are or will be paid to public officials for determining the existence of or for perfecting, releasing, terminating, or satisfying a security interest or mortgage related to a loan;

(2) premiums payable for insurance in lieu of perfecting a security interest or mortgage otherwise required by an association in connection with a loan, if the premium does not exceed the fees and charges described in clause (1) which would otherwise be payable.

Subd. 15 41. [ONE BORROWER.] "One borrower" means (1) any person or entity which is, or which upon the making of a loan will become, obligor on a real estate loan, (2) nominees of such obligor, (3) all persons, trusts, partnerships, syndicates, and corporations of

which such obligor is a nominee or a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock, and (4) if such obligor is a trust, partnership, syndicate, or corporation, all trusts, partnerships, syndicates, and corporations of which any beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock, is also a beneficiary, partner, member, or record or beneficial stockholder owning ten percent or more of the capital stock of such obligor.

Subd. 42. [OPEN-END CREDIT.] "Open-end credit" means an arrangement pursuant to which:

(1) an association may permit a borrower, from time to time, to obtain loans, including but not limited to an overdraft checking line of credit arrangement, a secured or unsecured line of credit agreement, or a credit card line of credit;

(2) the amounts financed and the finance and other appropriate charges are debited to an account; and

(3) the finance charge, if made, is computed on the account periodically.

Subd. 43. [ORGANIZATION.] "Organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, joint venture, cooperative, or association.

Subd. 44. [PAYABLE IN INSTALLMENTS.] "Payable in installments" means that payment is required or permitted by agreement to be made in more than four periodic payments. If any periodic payment under an agreement requiring or permitting two or more periodic payments is more than twice the amount of any other periodic payment, a loan is "payable in installments."

Subd. 45. [PERSON.] "Person" means a natural person or an organization.

Subd. 16. [PRIMARILY RESIDENTIAL PROPERTY.] "Primarily residential property" means real estate on which there is located or will be located pursuant to a real estate loan, any of the following: a structure or structures designed or used primarily for residential rather than nonresidential purposes and consisting of more than one dwelling unit; a structure or structures designed or used primarily for residential rather than nonresidential purposes for students, residents, and persons under care, employees or members of the staff of an educational, health, or welfare institution or facility; and a structure or structures which are used in part for residential purposes for not more than one family and in part for business purposes, provided that the residential use of such structure or

structures must be substantial and permanent, and the area used for business purposes shall not exceed twice the area of the residence.

Subd. 17 46. [PRIMARY LENDING AREA.] "Primary lending area" means the state of Minnesota.

Subd. 18 47. [REAL ESTATE LOAN.] "Real estate loan" means any loan or other obligation secured by a first lien on real estate held in fee or in a leasehold extending or renewable automatically for a period of at least ten years beyond the date scheduled for the final principal payment of such loan or obligation, or any transaction out of which a first lien or claim is created against such real estate, including inter alia the purchase of such real estate in fee by an association and the concurrent or immediate sale thereof on installment contract.

Subd. 19 48. [SAVINGS ACCOUNT.] "Savings account" means that part of the savings liability of the association which is credited to the account of the holder thereof. A savings account also may be referred to as a deposit account other than a time deposit account, a NOW account, a demand deposit account, or a treasury tax and loan account. Savings accounts include but are not limited to money market deposit accounts.

Subd. 20 49. [SAVINGS LIABILITY.] "Savings liability" means the aggregate amount of savings accounts of members, including earnings credited to such accounts, less redemptions and withdrawals.

Subd. 21 50. [SERVICE ORGANIZATION.] "Service organization" means an affiliate organization substantially all the activities of which consist of originating, purchasing, selling, and servicing loans upon real estate and participating interests therein, or clerical, bookkeeping, accounting, statistical, or similar functions performed primarily for savings and loan associations, as clearly permitted under appropriate federal laws or regulations, and such other activities as the commissioner may approve consistent with the safety and soundness of the association.

Subd. 22 51. [SOURCES AVAILABLE FOR PAYMENT OF EARNINGS.] "Sources available for payment of earnings" means net income for an accounting period less amounts transferred to reserves as provided in or permitted by sections 51A.01 to 51A.57, plus any balance of undivided profits whether same are designated as such or by other language from preceding accounting periods.

Subd. 22a 52. [STOCKHOLDER.] "Stockholder" means the holder of one or more shares of any class of capital stock of a capital stock association organized and operating pursuant to the provisions of Laws 1981, chapter 276.

Subd. ~~22b~~ 53. [SURPLUS.] "Surplus" means the aggregate amount of the undistributed net income for an association held as undivided profits or unallocated reserves for general corporate purposes, and any paid-in surplus held by an association.

Subd. ~~23~~ 54. [THRIFT INSTITUTION.] "Thrift institution" means an association, a mutual savings bank, a cooperative bank, a homestead association, a ~~savings and loan association~~, a building and loan association, a federal ~~savings~~ association, a ~~federal savings and loan association~~, and a supervised thrift and residential financing institution of a substantially similar nature.

Subd. 55. [TIME DEPOSIT.] "Time deposit" has the meaning given the term in the Code of Federal Regulations, title 12, part 204.

Subd. 24. [UNAMORTIZED REAL ESTATE LOAN.] "Unamortized real estate loan" means a real estate loan repayable within five years from date, with or without amortization of principal, but with interest payable at least semiannually.

Subd. 25 56. [WITHDRAWAL VALUE.] "Withdrawal value" means the amount credited to a savings deposit account of a member, less lawful deduction therefrom, as shown by the records of the association.

Sec. 3. Minnesota Statutes 1986, section 51A.03, is amended by adding a subdivision to read:

Subd. 2b. [REGULATION OF CAPITAL STOCK ASSOCIATIONS.] The incorporation, formation, and corporate governance of capital stock associations are governed by chapter 300, except to the extent the provisions of this chapter conflict with the provisions of chapter 300, in which case the provisions of this chapter govern.

Sec. 4. Minnesota Statutes 1986, section 51A.041, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF CHAIR OF INCORPORATORS; SURETY BOND REQUIRED; CAPITAL REQUIRED.] The incorporators of a capital stock association shall appoint one of their number as chair of the incorporators and the chair shall procure from a surety company or other surety acceptable to the commissioner, a surety bond in an amount at least equal to the amount of capital stock contributions, plus the additional amounts described in subdivision 2. The bond shall name the commissioner as obligee and shall be delivered to the commissioner. It shall assure the safekeeping of the funds described; their delivery to the association after the issuance of the certificate of incorporation and after the bonding of the officers; and, in the event of the failure to complete organization, the return of the amounts collected to the respective subscribers or

their assigns, less reasonable expenses which shall be deducted from the paid-in surplus. Before a certificate of incorporation is issued, the capital of the association shall be paid in by subscribers to the chair in cash or authorized securities and shall be the sum of the par or initially stated value of all shares of voting capital stock. Each share of capital stock shall entitle the holder thereof to one vote. The minimum required capital shall be not less than \$500,000, provided the commissioner may require a larger amount to be paid in. No portion of the capital stock shall be withdrawn by any person or in any way, either in dividends or otherwise, except as provided by law. No dividend on capital stock shall be made except as provided in section 51A.21; subdivision 21. ~~No commissions, fees, or other remuneration shall be paid for the sale of shares of capital stock, and no incentive stock shall be issued.~~

Sec. 5. Minnesota Statutes 1986, section 51A.041, is amended by adding a subdivision to read:

Subd. 1a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK ASSOCIATIONS.] Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when adjudicated a bankrupt or convicted of a criminal offense as herein provided.

Sec. 6. Minnesota Statutes 1986, section 51A.041, subdivision 4, is amended to read:

Subd. 4. [ISSUANCE OF CAPITAL STOCK.] As of the date corporate existence begins, the association shall issue capital stock as necessary to satisfy the minimum capital requirements of this section and additional capital stock as may be approved for issuance by its board of directors up to the amount authorized in its certificate of incorporation, and thereafter shall issue no other shares except as authorized in Laws 1981, chapter 276. Any capital stock of an association, when issued, shall constitute permanent capital and shall not be retired or withdrawn except as hereinafter provided until all liabilities of the association have been satisfied in full, including the withdrawal value of all savings deposit accounts, and until outstanding capital certificates have been retired. An association may issue shares of common stock and preferred stock, with or without par value; and the common and preferred stock may be divided into classes and the classes into series. Capital stock of an association shall be issued pursuant to the following requirements:

(a) Except for stock issued pursuant to the incorporation of the association, an employee stock option plan, or other forms of stock-based compensation or a plan of merger, consolidation, conversion from a mutual to a capital stock association, or other type of

reorganization which has been approved by the commissioner, the consideration for the issuance of capital stock shall be paid in cash. The par value or stated value of the stock shall be maintained as the permanent capital of the association, and any additional amount paid in shall be credited to paid-in surplus.

(b) The aggregate par value or stated value of all outstanding shares of capital stock shall be the permanent capital of the association, and except as otherwise specifically provided by Laws 1981, chapter 276 the capital stock shall not be retired until final liquidation of the association. No association shall reduce the par or stated value of its outstanding capital stock without first obtaining the written approval of the commissioner, and the approval shall be withheld if the reduction will cause the par or stated value of outstanding capital stock to be less than the minimum required by Laws 1981, chapter 276 or will result in less than adequate net worth as the commissioner may determine. No association shall retire any part of its capital stock unless the retirement is approved by the commissioner. With the written approval of the commissioner, an association may purchase its capital stock from the personal representative of a deceased stockholder; and with the written approval, an association may contract with a living stockholder for this purpose upon the stockholder's death. Any purchase shall be for the price, and upon the terms and conditions, agreed upon by the association and the stockholder or personal representative; provided, however, that the purchase shall not reduce the net worth accounts of the association, or any of them, to an amount less than required by applicable law or by any approved insurer of the association's savings accounts. An association agreeing with a stockholder to purchase that stockholder's capital stock upon the stockholder's death may purchase insurance upon the life of the stockholder to fund or partially fund the purchase. Any stock purchased from a decedent's personal representative may be resold by the association at the price, and upon the terms and conditions, as the board of directors of the association shall approve, or may be retired; provided, however, that prior to the resale, notice shall be filed with the commissioner disclosing the price, terms, and conditions of the proposed resale.

Sec. 7. Minnesota Statutes 1986, section 51A.05, subdivision 1, is amended to read:

Subdivision 1. [CORPORATE NAME.] The name of every association shall include either the words "savings association," word "saving" or "savings and loan association." These words shall be preceded by an appropriate descriptive word or words approved by the commissioner. An ordinal number may not be used as a single descriptive word preceding the words "savings association," or "savings and loan association," unless such words are followed by the words "of" the blank being filled by the name of the community, town, city, or county in which the

association has its principal office. An ordinal number may be used together with another descriptive word, preceding the words "savings association" or "savings and loan association," provided the other descriptive word has not been used in the corporate name of any other association in the state, in which case the suffix mentioned above is not required to be used. An ordinal number may be used, together with another descriptive word, preceding the words "savings association" or "savings and loan association," even when such other descriptive word has been used in the corporate name of an association in the state, provided the suffix "of," as provided above, is also used. The suffix provided above may be used in any corporate name. The use of the words, "national," "federal," "United States," "insured," "guaranteed," or any form thereof, separately or in any combination thereof with other words or syllables, is prohibited as part of the corporate name of an association. No certificate of incorporation of a proposed association having the same name as a corporation authorized to do business under the laws of this state or a name so nearly resembling it as to be likely to deceive shall be issued by the commissioner, except to an association formed by the reincorporation, reorganization, or consolidation of the association with other associations, or upon the sale of the property or franchise of an association. Any association in existence at the time of the adoption of sections 51A.01 to 51A.57 may continue to operate under its existing name.

Sec. 8. Minnesota Statutes 1986, section 51A.05, is amended by adding a subdivision to read:

Subd. 3a. [OFFICES.] The association shall obtain approval from the commissioner prior to opening a branch office. The association shall notify the commissioner of the location of its home office and branch offices, which shall not be changed or closed without prior written notice to the commissioner. The association may, however, operate other business facilities not constituting branch offices such as automated teller machines and loan production offices without providing notice under this subdivision.

Sec. 9. Minnesota Statutes 1986, section 51A.06, subdivision 3, is amended to read:

Subd. 3. [LIMITATION.] No conversion of an association or a federal association, direct or indirect, shall be permitted except as specifically authorized by sections 51A.01 to 51A.57 or other provision of the Minnesota Statutes.

Sec. 10. Minnesota Statutes 1986, section 51A.065, subdivision 1, is amended to read:

Subdivision 1. [TYPES OF CONVERSIONS.] Any state mutual or capital stock association, state capital stock association, federal mutual savings and loan association or federal capital stock savings

and loan or mutual or capital stock federal association, if substantial business benefit to the applicant will result, and if otherwise permitted by federal law and regulations, may apply to convert to one of the following other forms of organization: state mutual association, state capital stock association, federal mutual savings and loan mutual federal association, or federal capital stock savings and loan federal association in accordance with the provisions of subdivisions 2 to 4 and one of the three plans of conversion set forth in subdivisions 5 to 7. This section shall have no application to conversions where neither the converting nor the converted applicant is an association as defined in Laws 1981, chapter 276.

Sec. 11. Minnesota Statutes 1986, section 51A.065, subdivision 3, is amended to read:

Subd. 3. [SUPERVISORY APPROVAL OF PLAN.] Upon approval of the plan of conversion by the board of directors, the plan and the resolution approving it shall be submitted to the commissioner or other appropriate supervisory authority. The authority commissioner may approve or disapprove the plan of conversion in its discretion, but shall not approve the plan unless a finding is made, after appropriate examination, that: substantial business benefit to the applicant will result; the plan of conversion is fair and equitable; the interests of the applicant, its members or stockholders, its savings account holders and the public are adequately protected; and the converting applicant has complied with the requirements of this section. If the authority commissioner approves the plan of conversion, the approval, which shall be in writing and sent to the home office of the converting applicant, may prescribe terms and conditions to be fulfilled either before or after the conversion to cause the applicant to conform with the requirements of Laws 1981, chapter 276. If the authority commissioner disapproves the plan of conversion, the objections shall be stated in writing and sent to the home office of the converting applicant, and the applicant afforded an opportunity to amend and resubmit the plan within a reasonable time as prescribed by the authority. In the event that the authority commissioner disapproves the plan after resubmission, written notice of the final disapproval shall be sent by certified mail to the applicant's home office.

Sec. 12. Minnesota Statutes 1986, section 51A.065, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION TO MEMBERS OR STOCKHOLDERS.] If the commissioner or other appropriate supervisory authority approves a plan of conversion in accordance with subdivision 3, the plan must be submitted for adoption to the members or stockholders of the converting applicant by vote at a meeting called to consider the action. Except in the case of a conversion of a state an association to a federally chartered federal association of like corporate form, or vice versa pursuant to subdivision 7 and in

addition to any notice of annual or special meeting required by Laws 1981, chapter 276 and at least three weeks prior to the meeting, a copy of the plan, together with an accurate summary plan description explaining the operation of the plan and the rights, duties, obligations, liabilities, conditions, and requirements which may be imposed upon the members or stockholders and the converted applicant as a result of the adoption of the plan, must be mailed to each member or stockholder eligible to vote at the meeting. The plan of conversion may be approved by not less than a majority of the total number of votes eligible to be cast at the meeting. If the plan is approved, action must be taken to obtain a charter, articles of incorporation, articles of association or similar instrument, adopt bylaws, elect directors and officers and take other action prescribed or appropriate for the type of corporation into which the converting applicant will be converted. A certified report of the proceedings at the meeting must be filed promptly with the commissioner or other appropriate supervisory authority.

Sec. 13. Minnesota Statutes 1986, section 51A.065, subdivision 8, is amended to read:

Subd. 8. [CERTIFICATE OF CONVERSION.] If the commissioner or other appropriate supervisory authority finds that a conversion proceeding has been completed in accordance with the requirements of this section and any other applicable law and regulations, the authority commissioner shall issue to the applicant a certificate of conversion, attaching as a part of the certificate a copy of the charter, articles of incorporation, articles of association or similar instrument. The conversion shall not become effective until the issuance of the certificate as provided in this section.

Sec. 14. Minnesota Statutes 1986, section 51A.065, is amended by adding a subdivision to read:

Subd. 11. [FEDERAL ASSOCIATION.] Nothing in this section applies to the conversion of a federal association to another form of federally-chartered institution.

Sec. 15. Minnesota Statutes 1986, section 51A.07, is amended to read:

51A.07 [POWER TO REORGANIZE, MERGE OR CONSOLIDATE.]

Pursuant to a plan adopted by the board of directors and approved by the commissioner as equitable to the members or stockholders of the association and as not impairing the usefulness and success of other properly conducted associations in the community, an association shall have power to reorganize or to merge or consolidate with another association or federal association within its primary lending area; provided, that the plan of the reorganization, merger, or

consolidation shall be approved at an annual meeting or at any special meeting of the members or stockholders called to consider the action by a vote of ~~51 percent or more than~~ 50 percent of the total number of votes of the members cast in person or by proxy. In all cases the corporate continuity of the resulting corporation shall possess the same incidents as that of an association which has converted in accordance with sections 51A.01 to 51A.57. No association, directly or indirectly, shall convert or reorganize, or merge, consolidate, assume liability to pay savings accounts or other liabilities of, transfer assets in consideration of the assumption of liabilities for any portion of the savings accounts, deposits made in, or other liabilities of the association to, or acquire the assets of or assume liability to pay any liabilities of, any financial institution or any other organization, person, or entity, except as specifically authorized by ~~sections 51A.01 to 51A.57~~ the commissioner. Any association aggrieved by any action or nonaction of the commissioner under this section may appeal therefrom and the proceedings shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 14.63 to 14.70, and the scope of judicial review in the proceedings shall be as provided therein.

Sec. 16. Minnesota Statutes 1986, section 51A.10, is amended to read:

51A.10 [MEMBERSHIP CHARGES PROHIBITED.]

The mutual association shall not directly or indirectly charge any membership, admission, withdrawal, or any fee or sum of money for the privilege of becoming, remaining, or ceasing to be a member of the mutual association, except reasonable charges upon the making or modification of a loan ~~charges authorized by this chapter~~. Except as authorized by ~~sections 51A.01 to 51A.57~~ this chapter, the mutual association shall not charge any member any sum of money by way of fine or penalty for any cause, ~~except that a reasonable charge may be made against borrowers for defaults or prepayments.~~

Sec. 17. Minnesota Statutes 1986, section 51A.11, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIVENESS OF ACCESS.] ~~Every member or stockholder shall have the right to inspect books and records of an association that pertain to that person's loan or savings account or the determination of that person's voting rights. Otherwise, The right of inspection and examination of the books and records of an association including those pertaining to loans and accounts shall be limited (1) to the commissioner or duly authorized representatives as provided in sections 51A.01 to 51A.57, (2) to persons duly authorized by the association to act for the association, and (3) to affiliates, and (4) to any federal or state instrumentality or agency authorized by the association to inspect or examine the books and~~

records of an insured association. The books and records pertaining to the accounts ~~and~~, loans of members, and voting rights of depositors, borrowers, or stockholders shall otherwise be kept confidential by the such association, its directors, officers, and employees, and by the commissioner, the commissioner's examiners and representatives, except where the disclosure thereof shall be compelled by a court of competent jurisdiction or public authority in accordance with law, and no member depositor, borrower, or stockholder or any other person shall have access to the books and records or shall be furnished or shall possess a partial or complete list of the members depositors, borrowers, or stockholders except upon express action and authority of the board of directors.

Sec. 18. Minnesota Statutes 1986, section 51A.12, is amended to read:

51A.12 [FINANCIAL STATEMENT; MUTUAL ASSOCIATIONS.]

Every mutual association shall prepare and publish annually within 30 days of the close of the association's fiscal year in a newspaper of general circulation in the county in which the principal office of the association is located, and shall deliver to each member or stockholder upon application therefor, a statement of its financial condition in the form prescribed or approved by the commissioner.

Sec. 19. Minnesota Statutes 1986, section 51A.13, is amended to read:

51A.13 [DIRECTORS OF MUTUAL ASSOCIATIONS.]

Subdivision 1. [ASSOCIATION MUTUAL ASSOCIATIONS UNDER DIRECTION OF BOARD OF DIRECTORS.] The business of the association shall be directed by a board of directors of not less than five nor more than 15 as determined by, and elected by ballot from among, the members by a plurality of the votes of the members present. If authorized by vote of the members the directors may elect all directors. At all times at least two-thirds of the directors shall be bona fide residents of this state.

Subd. 2. [QUALIFICATIONS REQUIRED OF DIRECTORS OF MUTUAL ASSOCIATIONS.] Except with the written consent of the commissioner, no member shall be eligible for election or shall serve as a director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director on ceasing to be a member, on being adjudicated a bankrupt, or on being convicted of a criminal offense as herein provided, but no action of the board of directors shall be invalidated through the participation of the director in the action. However, if a director

becomes ineligible under the terms of this subdivision by reason of the exercise by the association of the right of redemption of savings accounts provided for in section 51A.34, the director shall remain validly in office until the expiration of the term of office or until the director otherwise becomes ineligible, resigns, or is removed, whichever may occur first.

Subd. 2a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK ASSOCIATIONS.] Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when adjudicated a bankrupt or convicted of a criminal offense as herein provided.

Subd. 3. [CLASSIFICATION OF DIRECTORS OF MUTUAL ASSOCIATIONS.] At the first annual meeting, the members shall by majority vote divide the directors into three classes of as nearly equal numbers as possible. The term of office of directors of the first class shall expire at the annual meeting next after the first election; of the second class, one year thereafter; and of the third class, two years thereafter; and at each annual election thereafter directors shall be chosen for a full term of three years to succeed those whose terms expire.

Subd. 4. [NUMBER OF DIRECTORS OF MUTUAL ASSOCIATIONS CHANGED ONLY BY MEMBERS.] The authorized number of directors determined by the members within the limits hereinabove specified may subsequently be increased or decreased only by vote of the members.

Subd. 5. [HOW VACANCY ON BOARD OF DIRECTORS OF MUTUAL ASSOCIATIONS CAUSED BY INCREASE IN NUMBER OF DIRECTORS IS TO BE FILLED.] If the members fail to elect a director to fill each vacancy created by any increase, the directors may fill the vacancy by electing a director to serve until the next annual meeting of the members, at which time a director shall be elected to fill the vacancy for the unexpired term for the class of director in which the vacancy exists.

Subd. 6. [CLASSIFICATION OF NEW DIRECTORS OF MUTUAL ASSOCIATIONS ELECTED TO FILL VACANCIES.] Whenever under the provisions hereof the number of directors is changed and vacancies caused by the change are filled, the directors so elected shall be classified in accordance with the provisions hereof, so that each of the three classes shall always contain numbers as nearly equal as possible.

Subd. 7. [WHEN VACANCY ON BOARD OF DIRECTORS OF MUTUAL ASSOCIATIONS MAY BE FILLED BY DIRECTORS.]

Any vacancy among directors, not so filled by the members, may be filled by a majority vote of the remaining directors, though less than a quorum, by electing a director to serve until the next annual meeting of the members, at which time a director shall be elected to fill the vacancy for the unexpired term for the class of director in which the vacancy exists. In event of a vacancy on the board of directors from any cause, the remaining directors shall have full power and authority to continue direction of the association until the vacancy is filled.

Sec. 20. [51A.131] [DIRECTORS OF CAPITAL STOCK ASSOCIATIONS.]

The duties and qualifications required of directors of capital stock associations are governed by chapter 300.

Sec. 21. Minnesota Statutes 1986, section 51A.15, subdivision 2, is amended to read:

Subd. 2. [DUAL STATUS.] No officer or director of an association shall hold office or status as a director or officer of another nonaffiliated financial institution the principal office of which is located in the association's primary lending area; except such directors or officers who are holding office at the time of the adoption of sections 51A.01 to 51A.57, and such directors or officers may continue to be reelected for two additional terms.

Sec. 22. Minnesota Statutes 1986, section 51A.17, is amended to read:

51A.17 [INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES.]

Any person shall be indemnified or reimbursed by the association for reasonable expenses, including but not limited to attorney fees, actually incurred in connection with any action, suit, or proceeding, instituted or threatened, judicial or administrative, civil or criminal, to which that person is made a party by reason of being or having been a director, officer, or employee of an association; provided, however, that no person shall be so indemnified or reimbursed, nor shall that person retain any advancement or allowance for indemnification which may have been made by the association in advance of final disposition, in relation to such action, suit, or proceeding in which and to the extent that the person finally shall be adjudicated to have been guilty of a breach of good faith, to have been negligent in the performance of duties, or to have committed an action or failed to perform a duty for which there is a common law or a statutory liability; and provided further, that a person may, with the approval of the commissioner, be so indemnified or reimbursed for (1) amounts paid in compromise or settlement of any action, suit, or proceeding, including reasonable expenses

incurred in connection therewith, or (2) reasonable expenses including fines and penalties incurred in connection with a criminal or civil action, suit, or proceeding in which such person has been adjudicated guilty, negligent, or liable if it shall be determined by the board of directors and by the commissioner that such person was acting in good faith and in what that person believed to be the best interests of the association and without knowledge that the action was illegal and if such indemnification or reimbursement is approved at an annual or special meeting of the members by a majority of the votes eligible to be cast. Amounts paid to the association, whether pursuant to judgment or settlement by any person within the meaning of this section shall not be indemnified or reimbursed in any case. The indemnification of officers, directors, and employees of associations is governed by section 300.083.

Sec. 23. Minnesota Statutes 1986, section 51A.19, subdivision 1, is amended to read:

Subdivision 1. [RECORDS TO BE KEPT AT PRINCIPAL HOME OFFICE.] Every association shall keep at the principal home office correct and complete books of account and minutes of the proceedings of members, directors, stockholders, and the executive committee. Complete records of all business transacted at the principal home office shall be maintained at the principal home office. Control records of all business transacted at other offices shall be maintained at the principal home office.

Sec. 24. Minnesota Statutes 1986, section 51A.19, subdivision 8, is amended to read:

Subd. 8. [APPRAISAL OF REAL ESTATE OWNED AND THAT SECURING DELINQUENT LOANS.] Every association shall have appraised each parcel of real estate at the time of acquisition thereof. The report of each such appraisal shall be submitted in writing to the board of directors and shall be kept in the records of the association. In addition to the powers under section 51A.44, subdivision 6, the commissioner may require the appraisal of real estate securing loans which are delinquent more than four months:

Sec. 25. Minnesota Statutes 1986, section 51A.19, subdivision 10, is amended to read:

Subd. 10. [MAINTENANCE OF MEMBERSHIP RECORDS.] Every mutual association shall maintain membership records, which shall show the name and address of the member, the status of the member as a savings account holder, or an obligor, or a savings account holder and obligor, and the date of membership thereof. In the case of members holding a savings account the mutual association shall obtain a savings account contract containing the signature of each holder of such account or a duly authorized

representative, and shall preserve such contract in the records of the association.

Sec. 26. Minnesota Statutes 1986, section 51A.21, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Every association incorporated pursuant to or operating under the provisions of sections 51A.01 to 51A.57 shall have all the powers enumerated, authorized, and permitted by sections 51A.01 to 51A.57 and such other rights, privileges, and powers as may be incidental to or reasonably necessary or appropriate for the accomplishment of the objects and purposes of the association, and in addition shall have those powers possessed by corporations organized under chapter 300. Among others, and except as otherwise limited by the provisions of sections 51A.01 to 51A.57, every association shall have the powers set forth in this section.

Sec. 27. Minnesota Statutes 1986, section 51A.21, subdivision 5, is amended to read:

Subd. 5. [BORROWING.] ~~If and when an association is not a member of a federal home loan bank, To borrow from sources, individual or corporate, not more than an aggregate amount equal to one-fourth one-half of its savings liability total assets on the date of borrowing and additional sums the commissioner approves. If and when an association is a member of a federal home loan bank, to secure advances of not more than an aggregate amount equal to one-half of its savings liability; within the amount equal to one-half of its savings liability; the association may borrow from sources, individual or corporate other than the federal home loan bank, an aggregate amount not in excess of 20 percent of its savings liability. The advance written approval of the commissioner, who has sole discretionary authority to grant or withhold such approval, is required for sources of borrowing other than financial institutions or federal home loan banks. A subsequent reduction of savings liability total assets shall not affect in any way outstanding obligations for borrowed money. All loans and advances borrowing under this subdivision may be secured by property of the association, and may be evidenced by notes, bonds, debentures, commercial paper, bankers' acceptances, or other obligations or securities, (except capital stock and capital certificates) the commissioner authorizes for all associations; provided, that authorization by the commissioner shall not be required in the case of securities guaranteed pursuant to section 306(g) of the National Housing Act of 1934, as amended.~~

Sec. 28. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 6a. [LOANS AND CONTRACTS.] To make, sell, purchase, invest in, and participate or otherwise deal in loans and conditional

sale contracts and other forms of indebtedness and leases, and to take any manner of security for the loans and contracts.

Sec. 29. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 6b. [BUSINESS PROPERTY.] To acquire or own real property or interests in real property the directors consider necessary or convenient for the conduct of the business of the association, which for the purposes of sections 51A.01 to 51A.57 includes the ownership of stock of a wholly owned subsidiary corporation having as its exclusive activity the ownership and management of this property or interests. The amount so invested in land and improvements must not exceed the sum equal to five percent of net assets of the association, provided that the commissioner may authorize a greater amount to be so invested.

Sec. 30. Minnesota Statutes 1986, section 51A.21, subdivision 7, is amended to read:

Subd. 7. [INSURANCE OF ACCOUNTS.] To obtain and maintain insurance of its savings accounts by the federal savings and loan insurance corporation or any agency of this state or other federal agency established for the purpose of insuring savings accounts in associations.

Sec. 31. Minnesota Statutes 1986, section 51A.21, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEES.] To appoint and remove officers, agents, and employees as its business shall require and to provide them suitable compensation; to provide for life, health, and casualty insurance for officers and employees, and to adopt and operate reasonable bonus plans and retirement benefits for such officers and employees; and to provide for indemnification of its officers, employees, and directors as prescribed or permitted in sections 51A.01 to 51A.57 whether by insurance or otherwise.

Sec. 32. Minnesota Statutes 1986, section 51A.21, subdivision 14, is amended to read:

Subd. 14. [SERVICING.] To service loans and investments for others, provided that the maximum principal amount of loans and investments serviced for others at any one time shall not exceed 75 percent of the amount of the savings liability of such association.

Sec. 33. Minnesota Statutes 1986, section 51A.21, subdivision 15, is amended to read:

Subd. 15. [SAVINGS, LOANS, INVESTMENTS.] To acquire sav-

ings deposits and pay earnings thereon, and to lend and commit to lend, extend credit, and invest its funds as provided in sections 51A.01 to 51A.57.

Sec. 34. Minnesota Statutes 1986, section 51A.21, subdivision 17, is amended to read:

Subd. 17. [AGENCY.] To act as agent or holder of an escrow for others in any transaction incidental to the operation of its business.

Sec. 35. Minnesota Statutes 1986, section 51A.21, subdivision 21, is amended to read:

Subd. 21. [DIVIDENDS ON CAPITAL STOCK.] To declare and pay dividends on capital stock in cash or property out of the unreserved and unrestricted earned surplus of the association, or its own shares from time to time except when the association has failed within the preceding 12 months to make any minimum allocation to surplus or reserve accounts required by section 51A.20 or to maintain any minimum required level, and except when the association is in an impaired condition or when the payment thereof would cause the association to be in an impaired condition. A split-up or division of the issued shares of capital stock into a greater number of shares without increasing the state capital of the association is authorized, and shall not be construed to be a dividend within the meaning of this section.

Sec. 36. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 22. [LIMITED TRUSTEESHIP.] To act and receive compensation as trustee of a trust created or organized in the United States and forming a part of a stock bonus, pension, or profit-sharing plan that qualifies or is qualified for specific tax treatment under section 401 of the Internal Revenue Code of 1986, as amended through December 31, 1987, and to act as trustee or custodian of an individual retirement account within the meaning of section 408 of that code if the funds of the trust or account are invested only in savings accounts of the association or in obligations or securities issued by the association. All funds held in a fiduciary capacity by the association under the authority of this subdivision may be commingled and consolidated for appropriate purposes of investment if records reflecting each separate beneficial interest are maintained by the fiduciary unless the responsibility is lawfully assumed by another appropriate party.

Sec. 37. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 23. [AUTOMATED TELLER MACHINES.] To own or use

automated teller machines and establish electronic financial terminals and transmission facilities as provided in sections 47.61 to 47.74.

Sec. 38. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 24. [PAYROLL SAVINGS.] To contract with an employer with respect to the following:

(1) Soliciting, collecting, and receiving savings by payroll deduction. These savings are to be credited to a designated account of an employee who may voluntarily participate in a payroll deduction plan.

(2) Direct deposit of wages or salary paid by the employer to an employee's account in a financial depository institution. Deposits may be made by electronic or other medium. Direct deposits may be made if the employee authorizes the deposits in writing and designates the association or other financial depository institution as the recipient of these deposits.

Sec. 39. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 25. [DRAFTS.] To issue drafts and similar instruments drawn on the association to aid in effecting withdrawals and for other purposes of the association.

Sec. 40. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 26. [DEPOSITS.] To raise funds in the form of (1) savings accounts; (2) time deposit accounts; (3) NOW accounts; (4) demand deposit accounts; and (5) treasury tax and loan accounts.

Sec. 41. Minnesota Statutes 1986, section 51A.21, is amended by adding a subdivision to read:

Subd. 27. [TRUST POWERS.] To act as trustee, executor, administrator, personal representative, conservator, custodian, guardian, or in any other fiduciary capacity in which state banks, trust companies, or other corporations are permitted to act, and to receive reasonable compensation therefore.

Sec. 42. Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1, is amended to read:

Subdivision 1. [OWNERSHIP.] Savings accounts may be opened and held solely and absolutely by, or in trust or other fiduciary

capacity for, any person, including an adult or minor individual, male or female, single or married, partnership, association, fiduciary, or corporation. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a savings and loan association. Savings Deposit accounts shall be represented only by the account of each savings deposit account holder on the books of the association, and such the accounts or any interest therein shall be transferable only on the books of the association and upon proper written application by the transferee and upon acceptance by the association of the transferee as a member upon terms approved by the board of directors. The association may treat the holder of record of a savings account as the owner thereof of it for all purposes without being affected by any notice to the contrary unless the association has acknowledged in writing notice of a pledge of such savings the deposit account. Notwithstanding the foregoing, an association or federal association may offer negotiable time deposits.

An association may issue savings deposit accounts to or in the name of a minor, which shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons, except creditors, and, together with dividends thereon, shall be paid to the minor, and receipt or acquittance in any form, shall be sufficient release and discharge of the association for withdrawal, until a guardian appointed in this state for the minor shall have delivered a certificate of appointment.

Sec. 43. Minnesota Statutes 1986, section 51A.251, is amended to read:

51A.251 [MARRIED PERSONS AND MINORS.]

An association and any federal association may issue savings deposit accounts or negotiable order of withdrawal accounts to any married person or minor as the sole and absolute owner of the account, and receive payments thereon by or for the other, and pay withdrawals or drafts, accept pledges to the association, and act in any other manner with respect to the accounts on the order of the married person or minor. Any payment or delivery of rights to a married person or to any minor, or a receipt of or acquisition signed by a married person or by a minor who holds an account, shall be a valid and sufficient release and discharge of the association for any payment so made or delivery of rights to the married person or minor. In the case of a minor, the receipt, acquittance, pledge or other action required by the association to be taken by the minor shall be binding upon the minor as if the minor were of full age and legal capacity. The parent or guardian of the minor shall not in the capacity as parent or guardian have the power to attach or in any manner to transfer any account issued to or in the name of the minor; provided, however, that in the event of the death of the minor the receipt or acquittance of either parent or of a person standing in loco parentis to the minor shall be a valid and sufficient discharge of

the association for any sum or sums not exceeding in the aggregate \$2,500 unless the minor shall have given written notice to the association to accept the signature of the parent or person.

Sec. 44. Minnesota Statutes 1986, section 51A.261, is amended to read:

51A.261 [DEPOSITS IN NAME OF MINOR.]

A deposit made at an association in the name of a minor, or shares issued in a minor's name, shall be held for the exclusive right and benefit of the minor, free from the control or lien of all other persons except creditors, and together with the dividends or interest thereon shall be paid the minor, and the minor's receipt, check, or acquittance in any form shall be a sufficient release and discharge of the depository for the deposits or shares, or any part thereof, until a conservator or guardian appointed for the minor has delivered a certificate of appointment to the depository.

Sec. 45. Minnesota Statutes 1986, section 51A.262, is amended to read:

51A.262 [MULTIPARTY ACCOUNTS.]

When any deposit is made in the names of two or more persons jointly, or by any person payable on death (P.O.D.) to another, or by any person in trust for another, the rights of the parties and the ~~financial institution~~ association are determined by chapter 528.

Sec. 46. Minnesota Statutes 1986, section 51A.28, is amended to read:

51A.28 [ACCOUNTS OF ADMINISTRATORS, EXECUTORS, GUARDIANS, CUSTODIANS, TRUSTEES, AND OTHER FIDUCIARIES.]

Any association ~~or federal association~~ may accept savings deposit accounts in the name of any administrator, executor, custodian, conservator, guardian, trustee, or other fiduciary for a named beneficiary or beneficiaries. Any such fiduciary shall have power to vote as a member in a mutual association as if the membership were held absolutely, to open and to make additions to, and to withdraw any such account in whole or in part. The withdrawal value of any such account, and earnings thereon, or other rights relating thereto may be paid or delivered, in whole or in part, to such fiduciary without regard to any notice to the contrary as long as such fiduciary is living. The payment or delivery to any such fiduciary or a receipt or acquittance signed by any such fiduciary to whom any such payment or any such delivery of rights is made shall be a valid and sufficient release and discharge of an association for the payment or

delivery so made. Whenever a person holding an account in a fiduciary capacity dies and no written notice of the revocation or termination of the fiduciary relationship shall have been given to an association and the association has no written notice of any other disposition of the beneficial estate, the withdrawal value of such account, and earnings thereon, or other rights relating thereto may, at the option of an association, be paid or delivered, in whole or in part, to the beneficiary or beneficiaries. The payment or delivery to any such beneficiary, beneficiaries, or designated person, or a receipt or acquittance signed by any such beneficiary, beneficiaries, or designated person for any such payment or delivery shall be a valid and sufficient release and discharge of an association for the payment or delivery so made. This section does not apply to a P.O.D. account under chapter 528.

Sec. 47. Minnesota Statutes 1986, section 51A.31, subdivision 1, is amended to read:

Subdivision 1. [LEGAL INVESTMENTS.] Administrators, executors, custodians, conservators, guardians, trustees, and other fiduciaries of every kind and nature, insurance companies, business and manufacturing companies, banks, trust companies, credit unions, and other types of similar financial organizations, charitable, educational, eleemosynary and such public corporations as are authorized by law, funds, and organizations, are specifically authorized and empowered to invest funds held by them, without any order of any court, in savings accounts of savings associations ~~which are under state supervision, and in accounts of federal associations organized under the laws of the United States and under federal supervision,~~ and such investments shall be deemed and held to be legal investments for such funds.

Sec. 48. Minnesota Statutes 1986, section 51A.32, is amended to read:

51A.32 [EARNINGS.]

Subdivision 1. [MUTUAL ASSOCIATION.] ~~An~~ A mutual association may pay earnings on its savings accounts from sources available for payment of earnings at such rate and at such times and for such time or notice periods as shall be determined by resolution of its board of directors. All savings deposit account holders shall participate equally in earnings pro rata to the withdrawal value of their respective accounts, except that an association may classify its savings deposit accounts according to the character, amount, or duration thereof, or regularity of additions thereto, and may agree in advance to pay an additional or different rate of earnings not to exceed one percent over and above the rate of earnings paid on all savings deposit accounts on accounts based on such classification, and shall regulate such earnings in such manner that each savings deposit account in the same classification shall receive the same

ratable portion of such additional earnings, except for accounts which shall be classified according to a specified contractual time or notice period. Earnings shall be declared on the withdrawal value of each savings deposit account at the beginning of the accounting period, plus additions thereto made during the period (less amounts previously withdrawn and noticed for withdrawal, which for earnings purposes shall be deducted from the latest previous additions thereto) computed at the declared rate for the time the funds have been invested, determined as next provided. The date of investment shall be the date of actual receipt by the association of an account or an addition to an account, except that if the board of directors shall so determine, accounts in one or more classifications or additions thereto received by the association on or before a date not later than the 20th day of the month in which such payments were received; if the board shall make such determination, it also shall determine that payments received subsequent to such determination date shall either (1) receive earnings as if invested on the first day of the next succeeding month, or (2) receive earnings from the date of actual receipt by the association. Unless the commissioner shall issue approval in writing, no earnings shall be declared or paid for an accounting period unless the allocation to the general reserve for the preceding accounting period required by section 51A.20 or approved by the commissioner thereunder has been made. Notwithstanding the provisions of the second sentence of this section, the board of directors, by resolution, may determine that earnings shall not be paid on any savings deposit account which has a withdrawal value of a specified amount less than \$50 or which by written agreement is intended to be closed within a specified period less than 15 months from the date on which such savings the account is opened, provided that an exception may be made and earnings paid on savings deposit accounts opened pursuant to section 51A.24. The directors shall determine by resolution the method of calculating the amount of any earnings on savings accounts as herein provided, and the time or times when earnings are to be declared, paid, or credited.

Subd. 2. [CAPITAL STOCK ASSOCIATIONS.] A capital stock association may pay interest, if any, on its savings accounts in accordance with the terms of the account contract.

Sec. 49. Minnesota Statutes 1986, section 51A.35, is amended to read:

51A.35 [INVESTMENT IN SECURITIES.]

Savings Associations shall have power to invest in securities as follows:

(a) [INVESTMENTS NOT SUBJECT TO LIMITATION.] Without limit, in obligations of, or obligations which are fully guaranteed as to principal and interest by, the United States or this state or the political subdivision of this state in stock or obligations of any

federal home loan bank or banks; in stock or obligations of the federal savings and loan insurance corporation; in demand, time, or savings deposits, shares or accounts, or other obligations of any financial institution the accounts of which are insured by a federal agency.

(b) [INVESTMENTS SUBJECT TO 25 PERCENT OF ASSETS LIMITATION.] Not in excess of 25 percent of its assets in (1) bonds, notes, or other evidences of indebtedness which are a general obligation of, or guaranteed as to principal and interest by, any agency or instrumentality of the United States not specified in subparagraph (a) or of this state, or any city, town, county, district, or other municipal corporation or political subdivision of this state, or any instrumentality or authority of any one or more of the foregoing; (2) capital stock, obligations, or other securities of service organizations, provided that the aggregate of such investments shall not thereupon exceed ~~one~~ three percent of its assets liabilities.

Sec. 50. Minnesota Statutes 1986, section 51A.361, is amended to read:

51A.361 [RESERVES.]

An association shall maintain reserves in the form of liquid assets, as defined in section 51A.02, subdivision ~~12~~ 34, at a level reasonably necessary to meet anticipated withdrawals, commitments, and loan demand. The commissioner of commerce may prescribe the required amount of reserves for any individual association from time to time based upon examination findings or other reports relating to the association that are available to the commissioner. The determination by the commissioner of a required amount of reserves for an association shall not be considered a rule as defined by section 14.02, subdivision 4. Reserves for an individual association as prescribed by the commissioner pursuant to this section shall be enforced in accordance with sections 46.24 and 46.30 to 46.33.

Sec. 51. Minnesota Statutes 1986, section 51A.37, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Every ~~savings~~ association shall have power to invest in loans and other investments as set forth in this section.

Sec. 52. Minnesota Statutes 1986, section 51A.37, subdivision 2, is amended to read:

Subd. 2. [SAVINGS ACCOUNT LOANS.] Loans secured by its savings accounts to ~~the extent of the withdrawal value thereof~~.

Sec. 53. Minnesota Statutes 1986, section 51A.37, subdivision 3, is amended to read:

Subd. 3. [REAL ESTATE LOANS.] Real estate loans in any amount not exceeding the value of the security, subject to the following conditions:

(a) No association shall make a real estate loan to one borrower if the sum of (1) the amount of the loan and (2) the total balances of all outstanding real estate loans owed to the association by the borrower exceeds an amount equal to ten percent of the association's savings liability or an amount equal to the sum of the association's reserves for losses and undivided profits, whichever amount is less, except that any such loan may be made if the sum of (1) and (2) does not exceed \$100,000.

(b) An association may (1) participate with one or more financial institutions, or other entities having a tax exemption under section 501(a) of the internal revenue code, in any real estate loan of the type in which the association is authorized to invest on its own account, provided that the participating interest of the association is not subordinated or inferior to any other participating interest; and (2) participate in real estate loans with other than financial institutions or those entities described, provided that the participating interest of the association is superior to the participating interests of the other participants.

(c) The aggregate balances outstanding of real estate loans on real estate located outside the primary lending area of an association shall at no time exceed ten percent of the assets of the association, except that (1) loans insured or guaranteed in whole or in part by the United States, or a federal agency and (2) loans in which an association owns or has purchased no more than a 75 percent participation interest are not subject to this restriction; and

(d) Direct reduction real estate loans on home property and not in excess of 90 percent of the value of the security except as may be provided by the Federal Home Loan Bank Board for federally insured associations, and direct reduction real estate loans on primarily residential property not in excess of 80 percent of the value of the security, including participating interests in the loans, shall average annually, based on monthly computations, at least 70 percent of assets, other than liquid assets, held by the association.

(e) Real estate loans on home property by mortgage or contract for deed, as provided in clauses paragraphs (a) through (d) above and (b) with no limit on purchase or sale thereof; and may participate with other lenders in the making, purchasing, or selling of the loans, provided (1) the property securing same is within 100 miles of the servicing office of the other lender or lenders and (2) that the other lender or lenders participate to the extent of at least ten percent in

the loan and further provided not more than 25 percent of the assets of the association licensed hereunder shall be in the loan.

(f) (d) An association may purchase, at any sheriff's, judicial, or other sale, public or private, any real estate upon which it has a mortgage, judgment, or other lien, or in which it has any interest. It may acquire title to any real estate on which it holds any lien, in full or part satisfaction thereof, and may sell, convey, hold, lease, or mortgage the same. In transactions involving the purchase by a vendee of improved real estate for home purposes, or for the construction of a home, a savings and loan an association organized under the laws of this state, or of the United States of America, may, when authorized by its bylaws, acquire the title thereof, and it may give to the vendee a contract to convey the same as upon a sale thereof. Provided, that no association shall hereafter invest more than 50 percent of its assets in such contracts to convey. Upon default in the conditions of the contract, the association may terminate the interest of the vendee or the vendee's representatives or assigns by serving the notice provided by section 559.21, upon the vendee, or the vendee's representative or assigns.

Sec. 54. Minnesota Statutes 1986, section 51A.37, subdivision 4, is amended to read:

Subd. 4. [INSURANCE POLICY LOANS.] Loans secured by the pledge of policies of life insurance, the assignment of which is properly acknowledged by the insurer, but not exceeding the cash value of such policies providing such pledge is made as additional collateral for real estate, home improvement, or manufactured home loans.

Sec. 55. Minnesota Statutes 1986, section 51A.37, is amended by adding a subdivision to read:

Subd. 10. [CONSUMER LOANS.] Consumer loans.

Sec. 56. Minnesota Statutes 1986, section 51A.37, is amended by adding a subdivision to read:

Subd. 11. [BUSINESS LOANS.] Loans to organizations and natural persons for business purposes.

Sec. 57. Minnesota Statutes 1986, section 51A.37, is amended by adding a subdivision to read:

Subd. 12. [AGRICULTURAL LOANS.] Loans for agricultural purposes.

Sec. 58. Minnesota Statutes 1986, section 51A.37, is amended by adding a subdivision to read:

Subd. 13. [LOAN TO ONE BORROWER LIMITS.] (a) No mutual association shall make a loan to one borrower if the sum of (1) the amount of the loan and (2) the total balances of all outstanding loans owed to the association by the borrower exceeds an amount equal to ten percent of the association's savings liability or an amount equal to the sum of the association's reserves for losses and undivided profits, whichever amount is less, except that any such loan may be made if the sum of clauses (1) and (2) does not exceed \$500,000.

(b) No stock association shall make a loan to one borrower if the sum of (1) the amount of the loan and (2) the total balances of all outstanding loans owed to the association by the borrower exceeds an amount equal to ten percent of the association's savings liability or an amount equal to the sum of the association's reserves for losses and capital and surplus, whichever amount is less, except that any such loan may be made if the sum of clauses (1) and (2) does not exceed \$500,000.

Sec. 59. Minnesota Statutes 1986, section 51A.38, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Real estate loans and other loans secured by a mortgage on real estate that are eligible for investment by an association under sections 51A.01 to 51A.57 may be written upon the plan set forth in according to this section and section 66, or upon any other plan approved by the commissioner.

Sec. 60. Minnesota Statutes 1986, section 51A.38, subdivision 2, is amended to read:

Subd. 2. [APPRAISAL.] No investment in a real estate loan, the proceeds of which are used for the purchase of the real estate, shall be made until a qualified person or persons approved by the board of directors shall have made a physical inspection and submitted a signed appraisal of the value of the real estate securing such loan.

Sec. 61. Minnesota Statutes 1986, section 51A.38, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS.] Payments on real estate loans shall be applied first to other charges, then to the payment of interest on the unpaid balance of the loan, and the remainder on the reduction of principal; provided that if the loan is in default in any manner or is being assumed by the assignee of the mortgagor, payments may be applied by the association to payment of penalties or assumption charges as provided in the loan contract. All real estate loans may be prepaid in part or in full, at any time and the association shall not charge for such privilege of anticipatory payment an amount greater than 5 percent of the amount of such anticipatory payment. An association may charge a borrower a prepayment fee on any loan that is not a consumer loan. Unless otherwise agreed in writing, any

prepayment of principal on any loan may, at the option of the association, be applied on the final installment of the note or other obligation until fully paid, and thereafter on the installments in the inverse order of their maturity, or, at the option of the association, the payments may be applied from time to time wholly or partially to offset payments which subsequently accrue under the loan contract.

Sec. 62. Minnesota Statutes 1986, section 51A.38, subdivision 4, is amended to read:

Subd. 4. [EVIDENCE OF LOAN.] Every loan shall be evidenced by a note or instrument of obligation for the amount of the loan. The note or instrument shall specify the amount, rate of interest, or manner of calculating the rate of interest of a variable rate loan, and terms of repayment including any prepayment penalty or charge for late payment, mortgage assumption fee, and may contain all other terms of the loan contract.

Sec. 63. Minnesota Statutes 1986, section 51A.38, subdivision 5, is amended to read:

Subd. 5. [SECURITY INSTRUMENT FOR LOANS SECURED BY REAL ESTATE.] Every real estate loan secured by a mortgage on real property, including a real estate loan, shall be secured evidenced by a mortgage, deed of trust, or other transaction or instrument constituting a first lien or claim, ~~or the full equivalent thereof,~~ upon the real estate securing the loan, according to any lawful and recognized practice which is suited to the transaction. Any such instrument or transaction ~~constituting a first lien or claim is herein termed a "mortgage."~~ Such mortgage shall provide specifically for full protection to the association with respect to such loan and additional advances and the usual insurance risks, ground rents, taxes, assessments, other governmental levies, maintenance, and repairs. It may provide for an assignment of rents, and if such assignment is made, any such assignment shall be absolute upon the borrower's default, becoming operative upon written demand made by the association. All such mortgages shall be recorded in accordance with the law of this state.

Sec. 64. Minnesota Statutes 1986, section 51A.38, subdivision 7, is amended to read:

Subd. 7. [ADVANCES FOR TAXES.] An association may pay taxes, assessments, ground rents, insurance premiums, and other similar charges for the protection of its real estate loans any loan secured by a mortgage on real property, including a real estate loan. All such payments shall be added to the unpaid balance of the loan and shall be equally secured by the first lien on the property as provided above. An association may require life insurance to be assigned as additional collateral upon any real estate loan. In such

event, the association shall obtain a first lien upon such policy and may advance premiums thereon, and such premium advances shall be added to the unpaid balance of the loan and shall be equally secured by the first a lien on the property as provided above.

Sec. 65. Minnesota Statutes 1986, section 51A.38, subdivision 8, is amended to read:

Subd. 8. [PROVISION FOR TAXES, INSURANCE.] An association may require ~~the~~ a borrower on any loan secured by a mortgage on real property, including a real estate loan, to pay monthly in advance, in addition to interest or interest and principal payments, the equivalent of 1/12 of the estimated annual taxes, assessments, insurance premiums, ground rents, and other charges upon the real estate securing a loan, or any of such charges, so as to enable the association to pay such charges as they become due from the funds so received. The amount of such monthly charges may be increased or decreased so as to provide reasonably for the payment of the estimated annual taxes, assessment, insurance premiums, and other charges. The association at its option may hold such funds in trust and commingle them with other such funds and use the same for such purposes, or hold such funds in open account and commingle them with its own funds and advance like amounts for such purposes, or credit such funds as received to the mortgage account and advance a like amount for the purposes stated. If such funds are held in trust or invested in savings accounts, the amounts ~~shall~~ may be pledged to further secure the indebtedness and, if held in open account or credited to the loan account, the amounts when advanced for the purposes stated ~~shall~~ may be secured by the mortgage with the same priority as the original amount advanced under the mortgage. The association shall have no obligation to pay interest, earnings, or other increment to the borrower upon such monthly payments, nor to invest the same for the benefit of the borrower, unless such funds have been placed in a savings account or accounts in the borrower's name. Every association shall keep a record of the status of taxes, assessments, insurance, ground rents, and other charges on all real estate securing its real estate loans and on all real and other property owned by it.

Sec. 66. [51A.385] [TERMS AND CONDITIONS OF LOANS, CONTRACTS, AND EXTENSIONS OF CREDIT.]

Subdivision 1. [APPLICATION.] Except as otherwise provided in this section, this section applies to loans made by federal and state associations, and "association" as used in this section applies to federal and state associations.

Subd. 2. [FINANCE CHARGE FOR CREDIT SALES MADE BY A THIRD PARTY.] (a) A person may enter into a credit sale contract for sale to an association and an association may purchase and enforce a contract evidencing the sale, if the annual percentage rate

provided for in the contract does not exceed that permitted in this section, or, in the case of contracts governed by sections 168.66 to 168.77, the rates permitted by those sections.

(b) Except as provided in subdivision 4, the annual percentage rate may not exceed the equivalent of the greater of either of the following:

(1) the total of:

(i) 36 percent per year on that part of the unpaid balances of the amount financed which is \$300 or less;

(ii) 21 percent per year on that part of the unpaid balances of the amount financed which exceeds \$300 but does not exceed \$1,000; and

(iii) 15 percent per year on that part of the unpaid balances of the amount financed which exceeds \$1,000; or

(2) 19 percent per year on the unpaid balances of the amount financed.

(c) This subdivision does not limit or restrict the manner of calculating or charging the finance charge whether by way of add-on, discount, discount points, single annual percentage rate, precomputed charges, variable rate, interest in advance, compounding or otherwise, if the annual percentage rate calculated under paragraph (d) does not exceed that permitted by this section. The finance charge may be contracted for and earned at the single annual percentage rate that would earn the same finance charge as the graduated rates when the debt is paid according to the agreed terms and the finance charge is calculated under paragraph (d). If a finance charge is calculated or collected in advance, or included in the principal amount of the contract, and the borrower prepays the contract in full, the association shall credit the borrower with a refund of the charge based on the actuarial method of computing an unearned finance charge.

(d) The annual percentage rate must be calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the definition of finance charge in section 51A.02, and computed on the basis of a 365-day year.

Subd. 3. [FINANCE CHARGE FOR LOANS.] Except as provided in subdivision 4:

(a) With respect to a loan, including a loan pursuant to open-end credit but excluding open-end credit pursuant to a credit card, an association may contract for and receive a finance charge at an

annual percentage rate not exceeding 19 percent per year. With respect to open-end credit pursuant to a credit card, an association may contract for and receive a finance charge at an annual percentage rate not exceeding 18 percent per year. With respect to a loan made pursuant to open-end credit, the finance charge shall be considered not to exceed the maximum annual percentage rate permitted pursuant to this section if the finance charge contracted for and received does not exceed the equivalent of the maximum annual percentage rate computed on a 365-day year calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the definition of finance charge in section 51A.02.

(b) This subdivision does not limit or restrict the manner of calculating the finance charge, whether by way of add-on, discount, single annual percentage rate, variable rate, interest in advance, compounding, average daily balance method, or otherwise, if the annual percentage rate does not exceed that permitted by this section. If a finance charge is calculated or collected in advance, or included in the principal amount of the loan, and the borrower prepays the loan in full, the association shall credit the borrower with a refund of the charge to the extent that the annual percentage rate on the loan would exceed the maximum rate permitted under paragraph (a), taking into account the prepayment.

Subd. 4. [ADDITIONAL AUTHORITY.] Extensions of credit, and purchases of extensions of credit, authorized by sections 47.20, subdivision 1, 3, or 4a; 47.204; 47.21; 48.153; 48.185; sections 168.66 to 168.77, or section 334.01, subdivision 2; and section 334.011 may, but need not, be made pursuant to those sections in lieu of the authority set forth in subdivisions 1 to 3, and if so, are subject to the provisions of those sections, and not the provisions of this section, except this subdivision. An association may also charge an organization any rate of interest and any charges agreed to by the borrower, and may calculate and collect finance and other charges in any manner agreed to by the borrower. Except for extensions of credit the association elects to make under section 334.01, subdivision 2; or 334.011, the provisions of chapter 334 do not apply to extensions of credit made pursuant to this section or the sections mentioned in this subdivision.

Subd. 5. [ADDITIONAL CHARGES.] (a) In addition to the finance charges permitted by this section, an association may contract for and receive the following additional charges which may be included in the amount financed:

- (1) official fees and taxes;
- (2) charges for insurance as described in paragraph (b);
- (3) with respect to a loan secured by real estate, including a real estate loan, the following "closing costs," if they are bona fide,

reasonable in amount, and not for the purpose of circumvention or evasion of this section:

(i) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(ii) fees for preparation of a deed, mortgage, settlement statement, or other documents, if not paid to the association;

(iii) escrows for future payments of taxes, including assessments for improvements, insurance, and water, sewer, and land rents;

(iv) fees for notarizing deeds and other documents; and

(v) appraisal and credit report fees;

(4) a delinquency charge on any installment, including the minimum payment due in connection with the open-end credit, not paid in full on or before the tenth day after its due date in an amount not to exceed five percent of the amount of the installment;

(5) for any returned check or returned automatic payment withdrawal request, an amount not in excess of the service charge limitation in section 332.50; and

(6) charges for other benefits, including insurance, conferred on the borrower that are of a type that is not for credit.

(b) An additional charge may be made for insurance written in connection with the loan:

(1) with respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the association furnishes a clear, conspicuous, and specific statement in writing to the borrower setting forth the cost of the insurance if obtained from or through the association and stating that the borrower may choose the person through whom the insurance is to be obtained;

(2) with respect to credit insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the association, and this fact is clearly and conspicuously disclosed in writing to the borrower, and the borrower gives specific, dated, and separately signed affirmative written indication of the borrower's desire to do so after written disclosure to the borrower of the cost of the insurance; and

(3) with respect to vendor's single interest insurance, but only (i) to the extent that the insurer has no right of subrogation against the borrower, and (ii) to the extent that the insurance does not duplicate

the coverage of other insurance under which loss is payable to the association as its interest may appear, against loss of or damage to property for which a separate charge is made to the borrower pursuant to paragraph (b), clause (1), and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the association to the borrower setting forth the cost of the insurance if obtained from or through the association and stating that the borrower may choose the person through whom the insurance is to be obtained.

(c) In addition to the finance charges and other additional charges permitted by this section, an association may contract for and receive the following additional charges in connection with open-end credit:

(1) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of opening and maintaining open-end credit;

(2) charges for the use of an automated teller machine;

(3) charges for any monthly or other periodic payment period in which the borrower has exceeded or, except for the association's dishonor would have exceeded, the maximum approved credit limit, in an amount not in excess of the service charge permitted in section 332.50;

(4) charges for obtaining a cash advance in an amount not to exceed the service charge permitted in section 332.50; and

(5) charges for check and draft copies and for the replacement of lost or stolen credit cards.

Subd. 6. [ADVANCES TO PERFORM COVENANTS OF BORROWER OR PURCHASER.] (a) If the agreement with respect to a loan or contract contains covenants by the borrower or purchaser to perform certain duties pertaining to insuring or preserving collateral and the association pursuant to the agreement pays for performance of the duties on behalf of the borrower or purchaser, the association may add to the debt or contract balance the amounts so advanced. Within a reasonable time after advancing any sums, the association shall state to the borrower or purchaser in writing the amount of sums advanced, any charges with respect to this amount, and any revised payment schedule and, if the duties of the borrower or purchaser performed by the association pertain to insurance, a brief description of the insurance paid for by the association including the type and amount of coverages. Further information need not be given.

(b) A finance charge equal to that specified in the loan agreement or contract may be made for sums advanced under paragraph (a).

Subd. 7. [ATTORNEY'S FEES.] With respect to a loan or credit sale, the agreement may provide for payment by the borrower of the attorney's fees incurred in connection with collection or foreclosure.

Subd. 8. [RIGHT TO PREPAY.] The borrower or purchaser may prepay in full the unpaid balance of a consumer loan or contract, at any time without penalty.

Subd. 9. [CREDIT INSURANCE.] (a) The sale of credit insurance is subject to the provisions of chapter 62B and the rules adopted under that chapter, but the term of the insurance may exceed 60 months if the loan exceeds 60 months and the insurance will nevertheless be subject to chapter 62B and the rules adopted under that chapter.

(b) An association which provides credit insurance in relation to open-end credit may calculate the charge to the borrower in each billing cycle by applying the current premium rate to the balance in the manner permitted with respect to finance charges by the provisions on finance charge in this section.

(c) Upon prepayment in full of a consumer loan by the proceeds of credit insurance, the consumer or the consumer's estate is entitled to a refund of any portion of a separate charge for insurance which by reason of prepayment is retained by the association or returned to it by the insurer, unless the charge was computed from time to time on the basis of the balances of the consumer's loan.

(d) This section does not require an association to grant a refund to the consumer if all refunds due to the consumer under paragraph (c) amount to less than \$1 and, except as provided in paragraph (c), does not require the association to account to the consumer for any portion of a separate charge for insurance because:

(1) the insurance is terminated by performance of the insurer's obligation;

(2) the association pays or accounts for premiums to the insurer in amounts and at times determined by the agreement between them;
or

(3) the association receives directly or indirectly under any policy of insurance a gain or advantage not prohibited by law.

(e) Except as provided in paragraph (d), the association shall promptly make or cause to be made an appropriate refund to the consumer with respect to any separate charge made to the consumer for insurance if:

(1) the insurance is not provided or is provided for a shorter term

than for which the charge to the borrower for insurance was computed; or

(2) the insurance terminates before the end of the term for which it was written because of prepayment in full or otherwise.

(f) If an association requires insurance, upon notice to the borrower, the borrower has the option of providing the required insurance through an existing policy of insurance owned or controlled by the borrower, or through a policy to be obtained and paid for by the borrower, but the association for reasonable cause may decline the insurance provided by the borrower.

Subd. 10. [PROPERTY AND LIABILITY INSURANCE.] (a) Except as otherwise provided in this section and subject to the provisions on additional charges and maximum finance charges in this section, an association may agree to provide property and liability insurance, and may contract for and receive a charge for such insurance separate from and in addition to other charges. An association need not make a separate charge for the insurance provided or required by it. This section does not authorize the issuance of the insurance prohibited under any statute or rule governing the business of insurance.

(b) This section does not apply to an insurance premium loan. An association may request cancellation of a policy of property or liability insurance only after the borrower's default or in accordance with a written authorization by the borrower. In either case, the cancellation does not take effect until written notice is delivered to the borrower or mailed to the borrower at the borrower's address as stated by the borrower. The notice must state that the policy may be canceled on a date not less than ten days after the notice is delivered, or, if the notice is mailed, not less than 13 days after it is mailed. A cancellation may not take effect until those notice periods expire.

Subd. 11. [CONSUMER PROTECTIONS.] (a) Associations shall comply with the requirements of the Federal Truth in Lending Act, United States Code, title 15, section 1601 to 1693, in connection with a consumer loan or credit sale for a consumer loan purpose.

(b) Associations shall comply with the following consumer protection provisions in connection with a consumer loan or credit sale for a consumer purpose: sections 325G.02 to 325G.05; 325G.06 to 325G.11; 325G.15 to 325G.22; and 325G.29 to 325G.36, and the Code of Federal Regulations, title 12, part 535.

(c) An assignment of a consumer's earnings by the consumer to an association as payment or as security for payment of a debt arising out of a consumer loan or consumer credit sale is unenforceable by the association and revocable by the consumer.

Subd. 12. [LOANS OTHER THAN CONSUMER LOANS.] Loans other than consumer loans are not subject to the provisions and limitations of subdivisions 3, 5, 8, 9, 10, and 11.

Subd. 13. [EFFECT OF VIOLATIONS ON RIGHTS OF PARTIES.] (a) If an association has violated any provision of this section applying to collection of finance or other charges, the borrower has a cause of action to recover damages and also a right in an action other than a class action, to recover from the association violating this section a penalty in an amount determined by the court not less than \$100 nor more than \$1,000. With respect to violations arising from other than open-end credit transactions, no action may be brought pursuant to this paragraph and no set-off or recoupment may be asserted pursuant to this paragraph, more than one year after the making of the debt.

(b) A borrower is not obligated to pay a charge in excess of that allowed by this section and has a right of refund of any excess charge paid. A refund may not be made by reducing the borrower's obligation by the amount of the excess charge, unless the association has notified the borrower that the borrower may request a refund and the borrower has not so requested within 30 days thereafter. If the debtor has paid an amount in excess of the lawful obligation under the agreement, the borrower may recover the excess amount from the association who made the excess charge or from an assignee of the association's rights who undertakes direct collection of payments from or enforcement of rights against borrowers arising from the debt.

(c) If an association has contracted for or received a charge in excess of that allowed by this section, or if a borrower is entitled to a refund and a person liable to the borrower refuses to make a refund within a reasonable time after demand, the borrower may recover from the association or the person liable in an action other than a class action a penalty in an amount determined by the court not less than \$100 nor more than \$1,000. With respect to excess charges arising from other than open-end credit transactions, no action pursuant to this paragraph may be brought more than one year after the making of the debt. For purposes of this paragraph, a reasonable time is presumed to be 30 days.

(d) A violation of this section does not impair rights on a debt.

(e) An association is not liable for a penalty under paragraph (a) or (c) if it notifies the borrower of a violation before the association receives from the borrower written notice of the violation or the borrower has brought an action under this section, and the association corrects the violation within 45 days after notifying the borrower. If the violation consists of a prohibited agreement, giving the borrower a corrected copy of the writing containing the violation

is sufficient notification and correction. If the violation consists of an excess charge, correction must be made by an adjustment or refund.

(f) An association may not be held liable in an action brought under this section for a violation of this section if the association shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error.

(g) In an action in which it is found that an association has violated this section, the court shall award to the borrower the costs of the action and to the borrower's attorneys their reasonable fees.

Sec. 67. Minnesota Statutes 1986, section 51A.40, is amended to read:

51A.40 [DEALING WITH SUCCESSORS IN INTEREST.]

In the case of any investment made by an association in a real estate loan secured by a mortgage on real property, including a real estate loan, in the event the ownership of the real estate security or any part thereof becomes vested in a person other than the party or parties originally executing the security instruments, and provided there is not an agreement in writing to the contrary, an association may, without notice to such party or parties, deal with such successor or successors in interest with reference to said mortgage and the debt thereby secured in the same manner as with such party or parties, and may forbear to sue or may extend time for payment of or otherwise modify the terms of the debt secured thereby, without discharging or in any way affecting the original liability of such party or parties thereunder or upon the debt thereby secured.

Sec. 68. Minnesota Statutes 1986, section 51A.44, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL REPORT.] On or before the last day of ~~January~~ April in each year, every association shall make an annual written report to the commissioner, upon a form to be prescribed and furnished by the commissioner, of its affairs and operations, which shall include a complete statement of its financial condition, including a statement of income and expense since its last previous similar report, for the 12 months ending on the 31st day of December of the previous year. Every such report shall be verified by the president and treasurer.

Sec. 69. Minnesota Statutes 1986, section 51A.48, is amended to read:

51A.48 [RIGHT TO DECLARATORY JUDGMENT.]

At any time after any controversy has arisen between the commissioner and an association with respect to any question of law or rule or with respect to any question involving immeasurable or irreparable damage to the association, and prior to an administrative or judicial hearing, the association or the commissioner may apply to any court of competent jurisdiction in the county in which the principal home office of the association is located for a declaratory judgment as to such question, and such court shall have and shall take jurisdiction and decide the controversy on its merits in accordance with the weight of the evidence, and such court shall have full power to enforce its orders.

Sec. 70. Minnesota Statutes 1986, section 51A.50, is amended to read:

51A.50 [FEDERAL SAVINGS ASSOCIATIONS AND SAVINGS BANKS.]

Federal savings associations, federal savings banks, or federal savings and loan associations, incorporated pursuant to the laws of the United States, as now or hereafter amended, are not foreign corporations or foreign associations. Unless federal laws or regulations provide otherwise, federal associations, federal savings banks, and the members or stockholders thereof shall possess all of the rights, powers, privileges, benefits, immunities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for savings associations organized under the laws of this state and for the members or stockholders thereof. This provision is additional and supplemental to any provision which, by specific reference, is applicable to federal associations and the members or stockholders thereof. Federal savings banks shall possess all of the rights, powers, privileges, benefits, immunities, liabilities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for federal savings and loan associations. The following sections apply to federal associations, except to the extent they are inconsistent with federal law or regulations: sections 51A.01; 51A.02; 51A.065; 51A.15, subdivision 6; 51A.21, subdivisions 6a, 15, 16, 22, 25, 27, and 28; 51A.23, subdivision 1; 51A.24; 51A.251; 51A.261; 51A.262; 51A.27; 51A.28; 51A.29; 51A.30; 51A.31; 51A.37, subdivisions 1, 2, 3, paragraphs (a), (c), (d), 4, 5, 6, 7, 8, 9, 10, 11, and 12; 51A.38; 51A.385; 51A.40; 51A.50; 51A.52; 51A.56; and 51A.57.

Sec. 71. Minnesota Statutes 1986, section 51A.51, subdivision 1, is amended to read:

Subdivision 1. [FEES TO BE PAID TO STATE TREASURER.] Associations An association shall pay fees by delivering to the commissioner a check payable to the state treasurer.

Sec. 72. Minnesota Statutes 1986, section 51A.53, is amended to read:

51A.53 [POWERS OF FEDERAL SAVINGS AND LOAN ASSOCIATIONS; APPROVAL.]

Subject to the approval of the commissioner, any savings and loan association organized under sections 51A.01 to 51A.57 is hereby vested with all the powers conferred upon a federal savings and loan association organized under the laws and regulations of the United States or its agencies, as amended, as fully and completely as if the powers were specifically enumerated and described herein, provided that the same are not specifically prohibited by state law.

Sec. 73. Minnesota Statutes 1986, section 51A.56, is amended to read:

51A.56 [ACT CONTROLLING.]

Insofar as the provisions of sections 51A.01 to 51A.57 are inconsistent with the provisions of any other law affecting savings associations, the provisions of sections 51A.01 to 51A.57 shall control.

Sec. 74. Minnesota Statutes 1986, section 118.005, subdivision 1, is amended to read:

Subdivision 1. The governing body of every municipality, as defined in section 118.01, which has the power to receive and disburse funds, shall designate as a depository of the funds such national, insured state banks or thrift institutions as defined in section 51A.02, subdivision ~~23~~ 54, as it may deem proper. The governing body may authorize the treasurer or chief financial officer to exercise the powers of the governing body in designating a depository of the funds.

For purposes of this chapter, a credit union is a thrift institution.

Sec. 75. [REPEALER.]

Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivisions 6 and 19; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39 are repealed.

Sec. 76. [EFFECTIVE DATE.]

Sections 1 to 75 are effective the day following final enactment."

Delete the title and insert:

“A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4, and by adding a subdivision; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; and 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 48 and 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivisions 6 and 19; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 125, 445, 1874, 2010 and 2201 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1701, 1875, 1673, 1822, 1970, 1646, 1721, 2137, 1686, 1749, 1948, 1620, 1564, 1587, 2117, 1742 and 1867 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Murphy, Vanasek, Wynia, Schreiber and Simoneau introduced:

H. F. No. 2786, A bill for an act relating to state government; creating a task force for the adoption of criteria for state symbols; requiring a report; requiring the creation of a legislative committee to review legislation creating state symbols; prohibiting the introduction of bills without approval of the committee; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Bishop, Kelly, Vellenga, Wagenius and Pappas introduced:

H. F. No. 2787, A bill for an act relating to crimes; requiring imposition of mandatory minimum fines for unlawfully selling cocaine, heroin, marijuana, hashish, and tetrahydrocannabinols; amending Minnesota Statutes 1986, section 152.15, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Judiciary.

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. 2120, A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

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. 85, A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Begich moved that the House concur in the Senate amendments to H. F. No. 85 and that the bill be repassed as amended by the Senate.

Begich moved that the House refuse to concur in the Senate amendments to H. F. No. 85, that the Speaker appoint a Conference Committee of 3 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 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. 1806, A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amend-

ments to H. F. No. 1806 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1806, A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 97 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Haukoos	Lasley	Onnen	Skoglund
Battaglia	Heap	Lieder	Otis	Solberg
Bauerly	Jacobs	Long	Ozment	Steensma
Begich	Jaros	McEachern	Pappas	Sviggum
Bennett	Jefferson	McKasy	Pelowski	Swenson
Bertram	Jennings	McLaughlin	Peterson	Tompkins
Blatz	Jensen	Minne	Poppenhagen	Trimble
Boo	Johnson, A.	Morrison	Price	Tunheim
Brown	Johnson, R.	Munger	Quinn	Uphus
Burger	Kahn	Murphy	Reding	Vellenga
Carlson, L.	Kalis	Nelson, C.	Rest	Voss
Carruthers	Kelly	Nelson, D.	Rice	Wagenius
Clark	Kelso	Nelson, K.	Riveness	Welle
Cooper	Kinkel	Neuenschwander	Rodosovich	Wenzel
Dawkins	Kludt	O'Connor	Rose	Winter
DeBlicke	Knickerbocker	Ogren	Rukavina	Wynia
Frederick	Knuth	Olsen, S.	Sarna	Spk. Vanasek
Greenfield	Kostohryz	Olson, E.	Seaberg	
Gruenes	Krueger	Olson, K.	Segal	
Hartle	Larsen	Omann	Simoneau	

Those who voted in the negative were:

Bishop	Dorn	Marsh	Osthoff	Scheid
Carlson, D.	Forsythe	McDonald	Pauly	Schreiber
Clausnitzer	Ferichs	McPherson	Quist	Thiede
Dauner	Himle	Milbert	Redalen	Valento
Dempsey	Hugoson	Miller	Richter	Waltman
DeRaad	Johnson, V.	Orenstein	Schafer	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 2083 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2083, A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Gruenes	Lasley	Osthoff	Shaver
Anderson, R.	Gutknecht	Lieder	Otis	Simoneau
Battaglia	Hartle	Marsh	Ozment	Skoglund
Bauerly	Haukoos	McDonald	Pappas	Solberg
Bennett	Heap	McEachern	Pauly	Sparby
Bertram	Himle	McKasy	Pelowski	Steensma
Bishop	Hugoson	McLaughlin	Peterson	Sviggum
Blatz	Jacobs	McPherson	Poppenhagen	Swenson
Boo	Jaros	Milbert	Price	Thiede
Brown	Jefferson	Miller	Quinn	Tjornhom
Burger	Jennings	Minne	Quist	Tompkins
Carlson, D.	Jensen	Morrison	Redalen	Trimble
Carlson, L.	Johnson, A.	Munger	Reding	Tunheim
Carruthers	Johnson, R.	Murphy	Rest	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Valento
Cooper	Kahn	Nelson, D.	Richter	Vellenga
Dauner	Kalis	Nelson, K.	Riveness	Voss
Dawkins	Kelly	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kelso	O'Connor	Rose	Waltman
DeRaad	Kinkel	Ogren	Rukavina	Welle
Dille	Kludt	Olsen, S.	Sarna	Wenzel
Dorn	Knickerbocker	Olson, E.	Schafer	Winter
Forsythe	Knuth	Olson, K.	Scheid	Wynia
Frederick	Kostohryz	Omann	Schreiber	Spk. Vanasek
Frerichs	Krueger	Onnen	Seaberg	
Greenfield	Larsen	Orenstein	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1831, A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Poppenhagen moved that the House concur in the Senate amendments to H. F. No. 1831 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1831, A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker County; authorizing issuance of an on-sale liquor license to Fort Snelling.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dempsey	Jensen	McKasy	Osthoff
Anderson, R.	DeRaad	Johnson, A.	McLaughlin	Otis
Battaglia	Dille	Johnson, R.	McPherson	Ozment
Bauerly	Dorn	Johnson, V.	Milbert	Pappas
Begich	Forsythe	Kahn	Miller	Pauly
Bennett	Frederick	Kalis	Minne	Pelowski
Bertram	Frerichs	Kelly	Munger	Peterson
Blatz	Greenfield	Kelso	Murphy	Poppenhagen
Boo	Gruenes	Kinkel	Nelson, C.	Quinn
Burger	Gutknecht	Kludt	Nelson, D.	Quist
Carlson, D.	Hartle	Knickerbocker	Nelson, K.	Redalen
Carlson, L.	Haukoos	Knuth	Neuenschwander	Reding
Carruthers	Heap	Kostohryz	O'Connor	Rest
Clark	Himle	Krueger	Olsen, S.	Richter
Clausnitzer	Hugoson	Lasley	Olsen, E.	Rivness
Cooper	Jacobs	Lieder	Olson, K.	Rodosovich
Dauner	Jaros	Long	Omann	Rose
Dawkins	Jefferson	Marsh	Onnen	Rukavina
DeBlick	Jennings	McDonald	Orenstein	Sarna

Schafer	Simoneau	Thiede	Valento	Wenzel
Scheid	Solberg	Tjornhom	Vellenga	Winter
Schreiber	Sparby	Tompkins	Voss	Spk. Vanasek
Seaberg	Steensma	Trimble	Wagenius	
Segal	Sviggum	Tunheim	Waltman	
Shaver	Swenson	Uphus	Welle	

Those who voted in the negative were:

Larsen	Price	Skoglund
McEachern	Rice	Wynia

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1989, A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments to H. F. No. 1989 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1989, A bill for an act relating to education; creating a task force on child care in higher education.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Burger	Dempsey	Hartle	Johnson, A.
Anderson, R.	Carlson, D.	DeRaad	Haukoos	Johnson, V.
Battaglia	Carlson, L.	Dille	Heap	Kahn
Bauerly	Carruthers	Dorn	Himle	Kalis
Begich	Clark	Forsythe	Hugoson	Kelly
Bennett	Clausnitzer	Frederick	Jacobs	Kelso
Bertram	Cooper	Frerichs	Jaros	Kludd
Blatz	Dauner	Greenfield	Jefferson	Knickerbocker
Boo	Dawkins	Gruenes	Jennings	Knuth
Brown	DeBlieck	Gutknecht	Jensen	Kostohryz

Krueger	Murphy	Pappas	Sarna	Tjornhom
Larsen	Nelson, C.	Pauly	Schafer	Tompkins
Lasley	Nelson, D.	Pelowski	Scheid	Trimble
Lieder	Nelson, K.	Peterson	Schreiber	Tunheim
Long	Neuenschwander	Poppenhagen	Seaberg	Uphus
Marsh	O'Connor	Price	Segal	Valento
McDonald	Olsen, S.	Quinn	Shaver	Vellenga
McEachern	Olson, E.	Redalen	Simoneau	Voss
McKasy	Olson, K.	Reding	Skoglund	Wagenius
McLaughlin	Omann	Rest	Solberg	Waltman
McPherson	Onnen	Richter	Sparby	Welle
Milbert	Orenstein	Riveness	Steensma	Wenzel
Miller	Osthoff	Rodosovich	Sviggum	Winter
Minne	Otis	Rose	Swenson	Wynia
Munger	Ozment	Rukavina	Thiede	Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1853. A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Voss moved that the House concur in the Senate amendments to H. F. No. 1853 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1853. A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; requiring coverage for routine diagnostic procedures for cancer; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Frederick	Kostohryz	Onnen	Segal
Anderson, R.	Frerichs	Krueger	Orenstein	Shaver
Battaglia	Greenfield	Larsen	Osthoff	Simoneau
Bauerly	Gruenes	Lasley	Otis	Skoglund
Begich	Gutknecht	Lieder	Ozment	Sparby
Bennett	Hartle	Long	Pappas	Steensma
Bertram	Haukoos	Marsh	Pauly	Sviggun
Bishop	Heap	McDonald	Pelowski	Swenson
Blatz	Himle	McEachern	Peterson	Thiede
Boo	Hugoson	McKasy	Poppenhagen	Tjornhom
Brown	Jacobs	McLaughlin	Price	Tompkins
Burger	Jaros	McPherson	Quist	Trimble
Carlson, D.	Jefferson	Milbert	Redalen	Tunheim
Carlson, L.	Jennings	Miller	Reding	Uphus
Carruthers	Jensen	Minne	Rest	Valento
Clark	Johnson, A.	Munger	Rice	Vellenga
Clausnitzer	Johnson, R.	Murphy	Richter	Voss
Cooper	Johnson, V.	Nelson, C.	Riveness	Wagenius
Dauner	Kahn	Nelson, K.	Rodosovich	Waltman
Dawkins	Kalis	Neuenschwander	Rose	Wenzel
DeBlicck	Kelly	O'Connor	Rukavina	Winter
Dempsey	Kelso	Ogren	Sarna	Wymia
DeRaad	Kinkel	Olsen, S.	Schafer	Spk. Vanasek
Dille	Kludt	Olsen, E.	Scheid	
Dorn	Knickerbocker	Olson, K.	Schreiber	
Forsythe	Knuth	Omam	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

DeRaad was excused between the hours of 2:30 p.m. and 5:20 p.m.

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. 1858, A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, G., moved that the House concur in the Senate amend-

ments to H. F. No. 1858 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1858, A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Greenfield	Larsen	Osthoff	Simoneau
Anderson, R.	Gruenes	Lasley	Otis	Skoglund
Battaglia	Gutknecht	Lieder	Ozment	Solberg
Bauerly	Hartle	Long	Pappas	Sparby
Begich	Haukoos	Marsh	Pauly	Steensma
Bennett	Heap	McDonald	Pelowski	Sviggum
Bertram	Himle	McEachern	Peterson	Swenson
Bishop	Hugoson	McKasy	Poppenhagen	Thiede
Blatz	Jacobs	McLaughlin	Price	Tjornhom
Boo	Jaros	McPherson	Quinn	Tompkins
Brown	Jefferson.	Milbert	Quist	Trimble
Burger	Jennings	Minne	Redalen	Tunheim
Carlson, D.	Jensen	Morrison	Reding	Uphus
Carlson, L.	Johnson, A.	Murphy	Rest	Valento
Carruthers	Johnson, R.	Nelson, C.	Rice	Vellenga
Clark	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kahn	Nelson, K.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlicek	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
Dille	Kludt	Olson, E.	Scheid	Wynia
Dorn	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Knuth	Omann	Seaberg	
Frederick	Kostohryz	Onnen	Segal	
Frerichs	Krueger	Orenstein	Shaver	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 320, A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Scheid moved that the House concur in the Senate amendments to H. F. No. 320 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 320, A bill for an act relating to public rest rooms; eliminating provisions regulating public rest rooms maintained by statutory cities and cities of the fourth class; repealing Minnesota Statutes 1986, sections 459.15 to 459.18.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Omann	Schreiber
Anderson, R.	Greenfield	Larsen	Onnen	Seaberg
Battaglia	Gruenes	Lasley	Orenstein	Segal
Bauerly	Gutknecht	Lieder	Osthoff	Shaver
Begich	Hartle	Long	Otis	Simoneau
Bennett	Haukoos	Marsh	Ozment	Skoglund
Bertram	Heap	McDonald	Pappas	Solberg
Bishop	Himle	McEachern	Pauly	Sparby
Blatz	Hugoson	McKasy	Pelowski	Steensma
Boo	Jacobs	McLaughlin	Peterson	Sviggum
Brown	Jaros	McPherson	Poppenhagen	Swenson
Burger	Jefferson	Milbert	Price	Thiede
Carlson, D.	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
Dille	Kludt	Ogren	Rukavina	Welle
Dorn	Knickerbocker	Olsen, S.	Sarna	Wenzel
Forsythe	Knuth	Olson, E.	Schafer	Winter
Frederick	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ozment moved that the House concur in the Senate amendments to H. F. No. 2312 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2312, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Omann	Schreiber
Anderson, R.	Greenfield	Larsen	Onnen	Seaberg
Battaglia	Gruenes	Lasley	Orenstein	Segal
Bauerly	Gutknecht	Lieder	Osthoff	Shaver
Begich	Hartle	Long	Otis	Simoneau
Bennett	Haukoos	Marsh	Ozment	Skoglund
Bertram	Heap	McDonald	Pappas	Solberg
Bishop	Himle	McEachern	Pauly	Sparby
Blatz	Hugoson	McKasy	Pelowski	Steensma
Boo	Jacobs	McLaughlin	Peterson	Sviggum
Brown	Jaros	McPherson	Poppenhagen	Swenson
Burger	Jefferson	Milbert	Price	Thiede
Carlson, D.	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensen	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
Dille	Kludt	Ogren	Rukavina	Welle
Dorn	Knickerbocker	Olsen, S.	Sarna	Wenzel
Forsythe	Knuth	Olson, E.	Schafer	Winter
Frederick	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

MOTIONS FOR RECONSIDERATION

Poppenhagen moved that the vote whereby H. F. No. 1831, as amended by the Senate, was repassed earlier today be now reconsidered. The motion prevailed.

Poppenhagen moved that the action whereby H. F. No. 1831, as amended by the Senate, was given its third reading earlier today be now reconsidered. The motion prevailed.

Poppenhagen moved that the vote whereby the House concurred in the Senate amendments to H. F. No. 1831 earlier today be now reconsidered. The motion prevailed.

Poppenhagen moved that the House refuse to concur in the Senate amendments to H. F. No. 1831, that the Speaker appoint a Conference Committee of 3 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 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. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 1790, that the Speaker appoint a Conference Committee of 3 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 passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2214, 2102, 1652 and 1744.

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. 1700, 974, 2206, 2150 and 2203.

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. 2235, 2452, 2217, 2090 and 1328.

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. 1689, 1674 and 1388.

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. 1761, 1835 and 994.

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. 1304, 2376 and 1795.

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. 1661, 1932 and 2243.

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. 1955, 2292 and 2289.

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. 2097, 2191 and 2323.

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. 2456, 1632 and 2355.

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. 1851, 308 and 1553.

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. 1871, 2119 and 1879.

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. 2017, 2245 and 335.

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. 1830, 1735 and 30.

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. 2255, 1821 and 2009.

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. 2226, 2384 and 2096.

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. 1769, 2395 and 2266.

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. 1695, 1800, 1882, 1681 and 1086.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2214, A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivisions 3 and 9; 94.344, subdivisions 1, 3, 7, and 10; 94.348; Minnesota Statutes 1987 Supplement, sections 84.0272; and 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25.

The bill was read for the first time.

Jennings moved that S. F. No. 2214 and H. F. No. 2349, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2102, A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

The bill was read for the first time.

Nelson, K., moved that S. F. No. 2102 and H. F. No. 2234, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1652, A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

The bill was read for the first time.

Kludt moved that S. F. No. 1652 and H. F. No. 2381, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1744, A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; providing penalties; amending Minnesota Statutes 1986, sections 609.226; and 609.227; proposing coding for new law in Minnesota Statutes, chapter 347.

The bill was read for the first time.

Scheid moved that S. F. No. 1744 and H. F. No. 2430, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1700, A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

The bill was read for the first time.

Price moved that S. F. No. 1700 and H. F. No. 1857, now on Special

Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 974, A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

The bill was read for the first time.

Skoglund moved that S. F. No. 974 and H. F. No. 681, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2206, A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

The bill was read for the first time.

Vellenga moved that S. F. No. 2206 and H. F. No. 2370, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2150, A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

The bill was read for the first time.

Peterson moved that S. F. No. 2150 and H. F. No. 2429, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2203, A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time.

Blatz moved that S. F. No. 2203 and H. F. No. 2486, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2235, A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

The bill was read for the first time.

Tunheim moved that S. F. No. 2235 and H. F. No. 2286, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2452, A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

The bill was read for the first time.

Kelly moved that S. F. No. 2452 and H. F. No. 2478, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2217, A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

The bill was read for the first time.

Voss moved that S. F. No. 2217 and H. F. No. 2475, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2090, A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

The bill was read for the first time.

Neuenschwander moved that S. F. No. 2090 and H. F. No. 2585, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1328, A bill for an act relating to public safety; altering certain requirements concerning fencing of unused mine pits and shafts; providing modification to certain public and private liability

laws; providing penalties; amending Minnesota Statutes 1986, sections 87.024; 180.01; 180.03, subdivisions 2 and 3; 180.06; 180.10; 466.03, subdivisions 6c and 13; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; and 3.736, subdivision 3.

The bill was read for the first time.

Begich moved that S. F. No. 1328 and H. F. No. 1082, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1689, A bill for an act relating to game and fish; prescribing limits and seasons for angling in the Rainy River; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1674, A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

The bill was read for the first time.

Nelson, D., moved that S. F. No. 1674 and H. F. No. 2101, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1388, A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; requiring report; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; and 62D.20.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1761, A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is a misdemeanor; amending Minnesota Statutes 1986, section 169.13, subdivision 2.

The bill was read for the first time.

Pappas moved that S. F. No. 1761 and H. F. No. 2241, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1835, A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; making technical corrections; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59; Minnesota Statutes 1987 Supplement, sections 256.98, subdivision 1; 268.18, subdivision 3; 609.52, subdivision 3; 609.531, subdivision 1; 609.631, subdivision 4; 609.821, subdivision 3; and 628.26.

The bill was read for the first time.

Carruthers moved that S. F. No. 1835 and H. F. No. 2289, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 994, A bill for an act relating to employment; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15.

The bill was read for the first time.

Trimble moved that S. F. No. 994 and H. F. No. 1164, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1304, A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15.

The bill was read for the first time.

Scheid moved that S. F. No. 1304 and H. F. No. 1403, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2376, A resolution memorializing the Congress of the

United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

The bill was read for the first time.

Bertram moved that S. F. No. 2376 and H. F. No. 2621, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1795, A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409, subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

The bill was read for the first time.

Forsythe moved that S. F. No. 1795 and H. F. No. 2112, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1661, A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; clarifying the definition of organization; increasing the percentage of profit that may be used for expenses for certain organizations; licensing bingo halls; changing the definition of bingo occasion; requiring organizations to be directly responsible for the conducting of bingo; changing the definition of gross receipts for the purposes of bingo; changing the prize limits for bingo; amending Minnesota Statutes 1986, sections 349.19, subdivision 1; 349.211, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 11; 349.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1986, section 349.211, subdivision 2.

The bill was read for the first time.

Reding moved that S. F. No. 1661 and H. F. No. 1921, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1932, A bill for an act relating to transportation; exempting certain private carriers of fuel for use in agriculture-related businesses from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 1, and by adding a subdivision.

The bill was read for the first time.

Hartle moved that S. F. No. 1932 and H. F. No. 2047, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2243, A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256E.

The bill was read for the first time.

Dorn moved that S. F. No. 2243 and H. F. No. 2620, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1955, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; authorizing the sale of certain land.

The bill was read for the first time.

Knuth moved that S. F. No. 1955 and H. F. No. 1745, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2292, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

The bill was read for the first time.

Carlson, D., moved that S. F. No. 2292 and H. F. No. 2502, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2289, A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; amending Minnesota Statutes 1987 Supplement, sections 115C.04, subdivisions 1

and 3; and 115C.09, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A.

The bill was read for the first time.

Munger moved that S. F. No. 2289 and H. F. No. 2542, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2097, A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

The bill was read for the first time.

Rice moved that S. F. No. 2097 and H. F. No. 2186, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2191, A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

The bill was read for the first time.

O'Connor moved that S. F. No. 2191 and H. F. No. 2187, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2323, A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

The bill was read for the first time.

Bertram moved that S. F. No. 2323 and H. F. No. 2605, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2456, A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1632, A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program.

The bill was read for the first time.

Bennett moved that S. F. No. 1632 and H. F. No. 1953, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2355, A bill for an act relating to the cities of Bloomington and West St. Paul; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

The bill was read for the first time.

Riveness moved that S. F. No. 2355 and H. F. No. 2540, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1851, A bill for an act relating to public safety; providing for certain emergency communications procedures at tank farms; proposing coding for new law in Minnesota Statutes, chapter 17.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 308, A bill for an act relating to animals; establishing requirements for establishments that convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1986, section 346.54.

The bill was read for the first time.

Simoneau moved that S. F. No. 308 and H. F. No. 89, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1553, A bill for an act relating to crimes; prohibiting

unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1986, section 609.87, subdivision 1, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Kelly moved that S. F. No. 1553 and H. F. No. 1685, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1871, A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Blatz moved that S. F. No. 1871 and H. F. No. 1956, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2119, A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivisions 5, 10d, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

The bill was read for the first time.

Blatz moved that S. F. No. 2119 and H. F. No. 2021, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1879, A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

The bill was read for the first time.

Bertram moved that S. F. No. 1879 and H. F. No. 2057, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2017, A bill for an act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; and Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7.

The bill was read for the first time.

Simoneau moved that S. F. No. 2017 and H. F. No. 2400, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2245, A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 335, A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.74; 148.75; and 148.76, subdivision 2.

The bill was read for the first time.

Clark moved that S. F. No. 335 and H. F. No. 926, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1830, A bill for an act relating to crimes; making it a crime to enter into a contract to serve as the agent of a student athlete or represent a student athlete or professional sports organization in obtaining a professional sports contract with a student athlete before expiration of the student athlete's collegiate eligibility unless the athlete has executed an effective waiver of eligibility; making it a crime to offer anything of value to an employee of an educational institution in return for the employee's influence on a student athlete to enter into contracts with agents or professional sports contracts or for the referral of student athlete clients; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

The bill was read for the first time.

Seaberg moved that S. F. No. 1830 and H. F. No. 2167, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1735, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 30, A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, subdivision 1, and by adding a subdivision; 626.53; and 626.55, subdivision 1.

The bill was read for the first time.

Haukoos moved that S. F. No. 30 and H. F. No. 90, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2255, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 1821, A bill for an act relating to crimes; police pursuit; requiring certain driver's manual information; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

The bill was read for the first time.

Segal moved that S. F. No. 1821 and H. F. No. 1873, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2009, A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

The bill was read for the first time.

Vellenga moved that S. F. No. 2009 and H. F. No. 2118, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2226, A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7;

256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2384, A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

The bill was read for the first time.

Sparby moved that S. F. No. 2384 and H. F. No. 2567, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2096, A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time.

Sparby moved that S. F. No. 2096 and H. F. No. 2309, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1769, A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivision 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.091; 363.121; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.06, subdivision 1; and 363.071, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 363.

The bill was read for the first time.

Solberg moved that S. F. No. 1769 and H. F. No. 2054, now on

Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2395, A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing that proxies are prohibited unless authorized by the articles or bylaws; amending Minnesota Statutes 1986, sections 317.22, subdivisions 4 and 6; and 317.28.

The bill was read for the first time.

Pappas moved that S. F. No. 2395 and H. F. No. 2042, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2266, A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a child intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary.

The bill was read for the first time.

Carruthers moved that S. F. No. 2266 and H. F. No. 2148, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1695, A bill for an act relating to education; requiring the state board of education to adopt rules regulating aversive and deprivation procedures; proposing coding for new law in Minnesota Statutes, chapter 127.

The bill was read for the first time.

Otis moved that S. F. No. 1695 and H. F. No. 2078, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1800, A bill for an act relating to commerce; exempting certain educational foundations from public disclosure requirements; amending Minnesota Statutes 1987 Supplement, section 309.556, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce.

S. F. No. 1882, A bill for an act relating to education; requiring school districts to make certain accommodations for lactose intolerant children, if requested; proposing coding for new law in Minnesota Statutes, chapter 124.

The bill was read for the first time.

Jefferson moved that S. F. No. 1882 and H. F. No. 1849, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1681, A bill for an act relating to insurance; accident and health; exempting child health supervision services and perinatal care services from any requirement of coinsurance or dollar limitation; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the first time.

Riveness moved that S. F. No. 1681 and H. F. No. 1932, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1086, A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

The bill was read for the first time.

Krueger moved that S. F. No. 1086 and H. F. No. 445, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2126, A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within

which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.08; 256B.14, subdivision 2; 256B.69, subdivisions 3 and 4; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision 2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256D.03, subdivision 3; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; and 62D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HUMAN RESOURCES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1988" and "1989," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
General	\$(11,202,300)	\$21,842,700	\$10,640,400
Special Revenue	0	220,100	220,100
Public Health	175,200	200,800	376,000
Trunk Highway	74,400	85,500	159,900
Metropolitan Landfill	19,300	22,000	41,300
Contingency			
TOTAL	\$(10,993,400)	\$22,371,100	\$11,437,700

APPROPRIATIONS
Available for the Year
Ending June 30

	1988	1989
	\$	\$
Sec. 2. HUMAN SERVICES		
Subdivision 1. Appropriation by Fund		
General Fund	\$(11,210,200)	\$16,589,700

This appropriation is added to the appropriation in Laws 1987, chapter 403, article 1, section 2.

 Subd. 2. Social Services
 \$ 0 \$1,345,200

\$400,000 is appropriated from the general fund to the commissioner of human services for semi-independent living services for those people determined eligible who have not received funding. This appropriation may be used to fund services for individuals who are currently living in intermediate care facilities for the mentally retarded, who are receiving waived services and are no longer eligible for those services, or who are living in their family home, a foster home, or their own home.

\$75,000 is appropriated to the commissioner of human services to fund a grant related to attention deficit disorder (ADD). The commissioner shall award the grant to a nonprofit corporation whose only purpose is to educate people about ADD and to support children with ADD and their families. Grant money awarded under this provision must be used for the following purposes: (1) in-service training for school personnel, including teachers at all levels from early childhood through college and vocational training, on the unique problems of children who suffer from ADD, and (2) support

groups for children with ADD and their families.

Any balance at the end of fiscal year 1988 in the appropriation for chemical dependency evaluation contained in Laws 1987, chapter 403, article 1, section 2, subdivision 8 does not cancel but is available for fiscal year 1989 for the purpose of completing the incidence and prevalence survey on the extent of drug and alcohol problems in Minnesota.

Subd. 3. Mental Health	
\$(1,330,000)	\$1,425,000

Of the amount appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 5, for state mental health grants for fiscal year 1988, \$720,000 does not cancel but is available for fiscal year 1989 for the same purposes and \$1,330,000 is transferred to fiscal year 1989.

Of the amount appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 5, for mental health for fiscal year 1988, \$250,000 for information systems is transferred in fiscal year 1988 to the state systems account established in Minnesota Statutes, section 256.014, subdivision 2.

Subd. 4. Income Maintenance and Residential Programs	
\$(10,643,400)	\$11,006,900

(a) Health Care and Residential Programs	
\$ (9,008,100)	\$ 9,388,100

Notwithstanding the provisions of Laws 1987, chapter 403, article 1, section 14, subdivision 1, the commissioner of human services is

authorized during the biennium to transfer funds as necessary from nonsalary expenditure classes to salary object expenditure classes within the medical assistance demonstration project account in order to educate and enroll medical assistance recipients in the project.

Notwithstanding Minnesota Statutes 1986, section 256.969, subdivision 3, funds appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 6, paragraph (b), are allocated as follows: \$51,900 to Hennepin County Medical Center and \$48,100 to St. Paul Ramsey Medical Center. The commissioner of human services shall distribute these funds by June 30, 1988.

For the six-month period ending June 30, 1989, persons with serious and persistent mental illness who, except for their residence in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 would be eligible for medical assistance services, shall be eligible under the general assistance medical care program for services covered under the general assistance medical care program plus case management. The commissioner may, during the biennium, with the approval of the governor and after consulting with the legislative advisory commission, transfer the sum of \$711,000 from the medical assistance appropriation to the general assistance medical care appropriation for this purpose.

For medical assistance services rendered after January 1, 1989, payments to medical assistance vendors that were reduced by five percent on July 1, 1987, shall be

restored to the payment level in effect on June 30, 1987.

Beginning January 1, 1989, the maximum pharmacy dispensing fee under medical assistance and general assistance medical care is \$4.20.

\$752,500 in fiscal year 1988 and \$5,117,000 in fiscal year 1989 is appropriated to the general fund contingent account and is to be used only upon the request of the commissioner of human services. These funds are available due to the surplus in the medical assistance account. The funds are to be used for expenses associated with ensuring continued certification of mental health programs for participation in the medicare and medical assistance programs. These funds may be used only after review by the legislative advisory committee and approval by the governor. The medical assistance account is reduced to reflect additional collections resulting from this appropriation. The approved complement of the regional treatment centers is increased by 175 positions.

\$170,000 in fiscal year 1988 and \$420,000 in fiscal year 1989 is appropriated to fund costs associated with judicial reviews of regional treatment center client medications.

\$40,000 is appropriated and transferred to the commissioner of the state planning agency for the biennium ending June 30, 1989, to fund the local efforts of a multi-county area in southwest central Minnesota to plan, organize, and design a health insurance program demonstration project for low income adults and their dependents. The demonstration

project shall be designed to best meet the health insurance needs of individuals and families who are not eligible for any other state or federal health benefits program and who do not have any health insurance or who do not have adequate health insurance. The project shall be planned and organized to make the best use of existing community health providers and agencies. By February 1, 1989, the commissioner shall report to the chairs of the health and human services committees of the senate and the house with a plan, organization, and design for implementation of the health insurance demonstration project. The report must be based on recommendations from the multi-county area.

Funds appropriated for the Fairbault regional treatment center planning study shall be transferred to the commissioner of the state planning agency.

(b) Family Support Programs
\$67,000 \$579,900

Of the money appropriated for fiscal year 1989 in Laws 1987, chapter 403, article 1, section 2, subdivision 6, \$200,000 is for AFDC prevention grants in Chicago county.

(c) Other Income Maintenance
Activities
\$(1,702,300) \$1,038,900

By January 1, 1989, the commissioner of the department of human services shall, in cooperation with the commissioner of employee relations, complete a job evaluation study to determine the comparable worth value of direct care staff positions in intermedi-

ate care facilities for the mentally retarded, waived residential services, semi-independent living programs, and developmental achievement centers that are licensed by the department of human services or by a county. The commissioner shall contract with the department of employee relations for completion of the study. Results of the study shall be reported to the chair of the finance committee of the senate and to the chair of the appropriations committee of the house.

Federal receipts for the alien verification entitlement system are dedicated to the department's state systems fund account for the biennium ending June 30, 1989.

Subd. 5. Veterans Homes

\$763,200	\$2,812,600
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Funds appropriated for the Minnesota veterans homes shall be transferred to the board of directors of the homes immediately upon licensure of the board by the commissioner of health for the biennium ending June 30, 1989.

During the biennium, the board of directors of the veterans homes shall report the results of all health department and Veterans Administration inspections and surveys to the governor, the chair of the House of Representatives appropriation committee, the chair of the Senate finance committee, the chair of the House health and human services appropriation division and the chair of the Senate health and human services finance division, within ten days of receiving written notification of the results. The report shall include plans for correcting deficiencies.

The board of directors of the veterans homes shall report to the legislature by January 1, 1989 regarding efforts to maximize use of federal Veterans Administration funds.

Sec. 3. OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION

0 200,000

This appropriation is added to the appropriation in Laws 1987, chapter 352, section 13.

Any balance remaining at the end of fiscal year 1988 in the account of the ombudsman for mental health and mental retardation does not cancel but is available for fiscal year 1989.

Sec. 4. JOBS AND TRAINING

Subdivision 1. Total Appropriation

0 1,764,000

This appropriation is added to the appropriation in Laws 1987, chapter 403, article 1, section 4.

Subd. 2. Rehabilitation Services

\$0 \$ 300,000

Subd. 3. Community Services

\$0 \$1,464,000

Of this appropriation, \$400,000 is to supplement the Minnesota economic opportunity grants program. None of these funds shall be used to cover administrative expenses at the state level.

Sec. 5. CORRECTIONS

Subdivision 1. Total Appropriation

7,900 197,500

This appropriation is added to the appropriation in Laws 1987, chapter 403, article 1, section 5.

Subd. 2. Correctional Institutions

From the appropriation in Laws 1987, chapter 403, article 1, section 5, subdivision 4, the commissioner may transfer \$41,200 in 1988 and \$69,100 in 1989 from contractual services to salaries. The department's complement is increased by two positions for this purpose.

Subd. 3. Community Services
 \$7,900 \$197,500

Of this appropriation, \$165,900 in 1989 is to provide emergency shelter services and support services to American Indian women who are battered.

The commissioner of corrections may transfer unencumbered grant money during the biennium for expenses incurred from the employee insurance trust fund deficit and the completion of the Lino Lakes expansion project.

Sec. 6. HEALTH

Subdivision 1. Appropriation by Fund

General Fund	0	3,091,500
Special Revenue Fund	0	220,100
Public Health Fund	175,200	200,800
Trunk Highway Fund	74,400	85,500
Metropolitan Landfill Contingency Fund	19,300	22,000

This appropriation is added to the appropriation in Laws 1987, chapter 403, article 1, section 8.

Subd. 2. Preventive and Protec-
tive Health Services

General Fund

\$0 \$2,226,500

Special Revenue Fund

\$0 \$ 220,100

Of this appropriation, \$55,000 from the special revenue fund is for implementation of the environmental laboratory certification program. This appropriation is available until June 30, 1992. \$55,000 must be transferred from the laboratory certification account to the special revenue fund by June 30, 1992.

Of this appropriation, \$200,000 from the general fund is to establish the Minnesota institute for addiction and stress research. Of this total, \$160,000 will be used for a grant to the institute and \$40,000 will be retained by the department. The approved complement of the department of health is increased by one position for purposes of developing and monitoring the institute.

Of this appropriation, \$650,000 is to be used for AIDS prevention grants for certain high-risk populations: \$300,000 for communities of color; \$250,000 for adolescents at highest risk; and \$100,000 for intravenous drug abusers.

From the appropriation of Laws 1987, chapter 403, article 1, section 8, the commissioner may transfer \$142,000 in 1989 from supplies and expense to salaries. The department's complement is increased by four positions for this purpose.

\$190,000 of funds appropriated

for the purchase of equipment pursuant to Laws 1987, chapter 403, article 1, section 8, subdivision 2, is available until June 30, 1989.

Subd. 3. Health Delivery Systems	
\$0	\$865,000

Of this appropriation, \$250,000 is to supplement the federal special supplemental food program for women, infants, and children (WIC). In the event that the commissioner of health supplements the WIC program in fiscal year 1988 or 1989 with \$1,000,000 or more in infant formula rebates, this general fund appropriation shall transfer to the commissioner of human services for the food stamp community outreach grant program.

Of this appropriation, \$400,000 is for grants to poison information centers selected by the commissioner under criteria established in Minnesota Statutes, section 145.93.

The commissioner of health is authorized to develop a fee schedule to be used to charge for diagnostic evaluations conducted at clinics held by the services for children with handicaps program.

Notwithstanding the provisions of Minnesota Rules, part 4690.4600, an emergency medical technician certificate issued to a firefighter employed by the city of Minneapolis which expires as of December 31, 1988, shall be effective until December 31, 1989, provided that the firefighter does not serve as an ambulance attendant.

Subd. 4. Health Support
Services

Public Health Fund

\$175,200 \$200,800

Trunk Highway Fund

\$ 74,400 \$ 85,500

Metropolitan Landfill Contingency Fund

\$ 19,300 \$ 22,000

Sec. 7. Laws 1987, chapter 403, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. Community Services

\$1,921,000 \$1,520,000

Of this appropriation, \$200,000 the first year and \$200,000 the second year are to provide for the local storage, transportation, processing, and distribution of United States Department of Agriculture surplus commodities. The department of jobs and training shall report on the surplus commodities program to the state legislature by January 15 of each year of the biennium.

Notwithstanding any law to the contrary, for the biennium ending June 30, 1989, the commissioner of jobs and training shall transfer to the community services block grant program ten percent of the money received under the low-income home energy assistance block grant in each year of the biennium and shall expend all of the transferred money during the year of the transfer or the year following the transfer. ~~None of the transferred money may be used by the commissioner of jobs and training for administrative costs, except that up to two percent of the funds used to supplement the federal funding for Project Head Start may be used for administra-~~

tive costs Up to 3.75 percent of the transferred money may be used by the commissioner of jobs and training for administrative costs, except that up to 4.25 percent of the funds used to supplement the federal funding for Project Head Start may be used for administrative costs.

Twenty-five percent of the money transferred by the commissioner of jobs and training from the low-income home energy assistance block grant to the community services block grant shall be used to supplement the federal funding of Project Head Start for children from low-income families. Notwithstanding any law to the contrary, these transferred funds shall be allocated through the existing Project Head Start formula to existing Project Head Start grantees for the purpose of expanding services to additional low-income families. The transferred funds shall be expended according to the federal regulations governing Project Head Start, including Code of Federal Regulations, title 45, sections 1302 through 1305. Each local Project Head Start shall expend the supplemental funds during the year of their receipt or the year following their receipt.

The commissioner of jobs and training shall prepare an annual report to the legislature describing the uses and impacts of the Project Head Start supplemental funding. The first annual report shall be delivered to the appropriate committees of the legislature on January 1 following the first full school year for which supplemental funding is available.

For the biennium ending June 30, 1989, the commissioner of jobs and training shall shift to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall expend all of the transferred funds during the year of the transfer or the year following the transfer. None of the transferred money may be used by the commissioner of jobs and training for administrative costs Up to 1.9 percent of the transferred money may be used by the commissioner of jobs and training for administrative costs.

To the extent allowed by federal regulations, the commissioner of jobs and training shall ensure that the same income eligibility criteria apply to both the weatherization program and the energy assistance program.

For the biennium ending June 30, 1989, no more than 1.11 percent of funds received under the total low-income home energy assistance program may be used by the commissioner for departmental administrative costs For the biennium ending June 30, 1989, no more than 1.9 percent of funds remaining under the low-income home energy assistance program after transfers to community services block grants and the weatherization program may be used by the department for administrative costs.

Discretionary money from the community services block grant (regular) must be used to supplement the appropriation for local storage, transportation, processing, and distribution of United

States Department of Agriculture surplus commodities to the extent supplementary funding is required. Any remaining funds shall be allocated to state-designated and state-recognized community action agencies, Indian reservations, and the Minnesota migrant council.

In the event that the federal office of community services does not recognize the Olmsted and Freeborn county community action agencies as eligible entities for full funding, the commissioner shall provide full funding for those agencies from discretionary funds resulting from block grant transfers to the community services block grant. The balance of these funds may be used by the commissioner for discretionary purposes consistent with federal community services block grant guidelines stated in Public Law Number 97-35. The commissioner shall by January 1, 1988, report to the legislature on the use of these funds.

The commissioner shall by January 1, 1988, provide to the chairs of the health and human services divisions of the house appropriations committee and the senate finance committee a written plan describing how the department's division of community services will issue one contract for human service programs, with the community action agencies, the Indian reservations, and the Minnesota migrant council, including but not limited to, the community services block grant program, the low-income home weatherization program, the low-income energy assistance program, the USDA Surplus Commodities Program, and all

other programs for which the division has contractual responsibility.

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment.

ARTICLE 2

HEALTH AND HUMAN SERVICES

Section 1. Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6, is amended to read:

Subd. 6. [DUTIES.] The primary duties of the council shall be to:

(1) clarify for the legislature and state agencies the nature of tribal governments, the relationship of tribal governments to the Indian people of Minnesota;

(2) assist the secretary of state in establishing an election of at large members of the council;

(3) make recommendations to members of the legislature on desired and needed legislation for the benefit of the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian community;

(4) provide, through the elected apparatus of the council, an effective conduit for programs, proposals, and projects to the legislature submitted by tribal governments, organizations, committees, groups, or individuals;

(5) provide a continuing dialogue with members of the appropriate tribal governments in order to improve their knowledge of the legislative process, state agencies, and governmental due process;

(6) assist in establishing Indian advisory councils in cooperation with state agencies delivering services to the Indian community;

(7) assist state agencies in defining what groups, organizations, committees, councils, or individuals are eligible for delivery of their respective services;

(8) assist in providing resources, tribal and other, in the delivery of services to the statewide Indian community;

(9) act as a liaison between local, state, and national units of government in the delivery of services to the Indian population of Minnesota;

(10) assist state agencies in the implementation and updating of studies of services delivered to the Indian community;

(11) provide, for the benefit of all levels of state government, a continuing liaison between those governmental bodies and duly elected tribal governments and officials;

(12) interreact with private organizations involved with Indian concerns in the development and implementation of programs designed to assist Indian people, insofar as they affect state agencies and departments;

(13) act as an intermediary, when requested and if necessary between Indian interests and state agencies and departments when questions, problems, or conflicts exist or arise;

(14) provide information for and direction to a program designed to assist Indian citizens to assume all the rights, privileges, and duties of citizenship, and to coordinate and cooperate with local, state, and national private agencies providing services to the Indian people;

(15) develop educational programs, community organization programs, leadership development programs, motivational programs, and business development programs for the benefit of Indian persons who have been, are, or will be subject to prejudice and discrimination; and

(16) cooperate and consult with appropriate commissioners and agencies to develop plans and programs to most effectively serve the needs of Indians; and

(17) review data provided by the commissioner of human services under section 257.072, subdivision 3, and present recommendations on the out-of-home placement rate for Indian children. Recommendations must be presented to the commissioner and the legislature by November 1, 1990, and by November 1 of each year thereafter.

Sec. 2. Minnesota Statutes 1986, section 3.9223, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues and disabilities confronting Spanish-speaking people in this

state including the unique problems encountered by Spanish-speaking migrant agricultural workers;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Spanish-speaking people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature legislation designed to improve the economic and social condition of Spanish-speaking people in this state;

(d) Serve as a conduit to state government for organizations of Spanish-speaking people in the state;

(e) Serve as a referral agency to assist Spanish-speaking people in securing access to state agencies and programs;

(f) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Spanish-speaking people of this state;

(g) Perform or contract for the performance of studies designed to suggest solutions to problems of Spanish-speaking people in the areas of education, employment, human rights, health, housing, social welfare and other related programs;

(h) Implement programs designed to solve problems of Spanish-speaking people when so authorized by other statute, rule or order;

(i) Review data provided by the commissioner of human services under section 257.072, subdivision 3, and present recommendations on the out-of-home placement rate for the children of Hispanic people. Recommendations must be presented to the commissioner and the legislature by November 1, 1990, and by November 1 of each year thereafter; and

(j) Publicize the accomplishments of Spanish-speaking people and the contributions made by them to this state.

Sec. 3. Minnesota Statutes 1986, section 3.9225, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(a) Advise the governor and the legislature on the nature of the issues confronting Black people in this state;

(b) Advise the governor and the legislature on statutes or rules necessary to insure Black people access to benefits and services provided to people in this state;

(c) Recommend to the governor and the legislature any revisions in the state's affirmative action program and any other steps that are necessary to eliminate underutilization of Blacks in the state's work force;

(d) Recommend to the governor and the legislature legislation designed to improve the economic and social condition of Black people in this state;

(e) Serve as a conduit to state government for organizations of Black people in the state;

(f) Serve as a referral agency to assist Black people in securing access to state agencies and programs;

(g) Serve as a liaison with the federal government, local government units and private organizations on matters relating to the Black people of this state;

(h) Perform or contract for the performance of studies designed to suggest solutions to problems of Black people in the areas of education, employment, human rights, health, housing, social welfare and other related areas;

(i) Implement programs designed to solve problems of Black people when so authorized by other statute, rule or order; ~~and~~

(j) Review data provided by the commissioner of human services under section 257.072, subdivision 3, and present recommendations on the out-of-home placement rate for Black children. Recommendations must be presented to the commissioner and the legislature by November 1, 1990, and by November 1 of each year thereafter; and

(k) Publicize the accomplishments of Black people and the contributions made by them to this state.

Sec. 4. Minnesota Statutes 1986, section 3.9226, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The council shall:

(1) advise the governor and the legislature on issues confronting Asian-Pacific people in this state, including the unique problems of non-English-speaking immigrants and refugees;

(2) advise the governor and the legislature of administrative and legislative changes necessary to ensure Asian-Pacific people access to benefits and services provided to people in this state;

(3) recommend to the governor and the legislature any revisions in the state's affirmative action program and other steps that are necessary to eliminate underutilization of Asian-Pacific people in the state's work force;

(4) recommend to the governor and the legislature legislation designed to improve the economic and social condition of Asian-Pacific people in this state;

(5) serve as a conduit to state government for organizations of Asian-Pacific people in the state;

(6) serve as a referral agency to assist Asian-Pacific people in securing access to state agencies and programs;

(7) serve as a liaison with the federal government, local government units, and private organizations on matters relating to the Asian-Pacific people of this state;

(8) perform or contract for the performance of studies designed to suggest solutions to the problems of Asian-Pacific people in the areas of education, employment, human rights, health, housing, social welfare, and other related areas;

(9) implement programs designed to solve the problems of Asian-Pacific people when authorized by other law;

(10) publicize the accomplishments of Asian-Pacific people and their contributions to this state;

(11) work with other state and federal agencies and organizations to develop small business opportunities and promote economic development for Asian-Pacific Minnesotans;

(12) supervise development of an Asian-Pacific trade primer, outlining Asian and Pacific customs, cultural traditions, and business practices, including language usage, for use by Minnesota's export community; and

(13) cooperate with other state and federal agencies and organizations to develop improved state trade relations with Asian and Pacific countries; and

(14) review data provided by the commissioner of human services under section 257.072, subdivision 3, and present recommendations on the out-of-home placement rate for Asian-Pacific children. Recommendations must be presented to the commissioner and the legislature by November 1, 1990, and by November 1 of each year thereafter.

Sec. 5. Minnesota Statutes 1987 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) merchandise for resale at state park refectories or facility operations;

(2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(3) meat for other state institutions from the vocational school maintained at Pipestone by independent school district No. 583; and

(4) furniture from the Minnesota correctional facilities.

(b) The following may be purchased or rented without regard to the competitive bidding requirements of this chapter: supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

Sec. 6. Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code

include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(e) (f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reason-

able safeguards for health, safety, welfare, comfort, and security is maintained.

(4) (g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

Sec. 7. [62A.047] [DEPENDENT COVERAGE.]

A policy of accident or sickness which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 8. Minnesota Statutes 1987 Supplement, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage on the same basis as coverage for other benefits for at least 80 percent of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious and or persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, or (3) a licensed consulting psychologist licensed under the provisions of sections 148.87 to 148.98, or a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a non-profit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not~~ exceed be limited to a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a provider listed above in item (1), (2) or (3).

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 9. Minnesota Statutes 1987 Supplement, section 62A.48, subdivision 7, is amended to read:

Subd. 7. [EXISTING POLICIES.] Nothing in sections 62A.46 to ~~62A.56~~ 62A.58 prohibits the renewal of the following long-term policies:

(1) policies sold outside the state of Minnesota to persons who at the time of sale were not residents of the state of Minnesota;

(2) policies sold before August 1, 1986; and

(3) policies sold before July 1, 1988, by associations exempted from sections 62A.31 to 62A.44 under section 62A.31, subdivision 1a:

Sec. 10. Minnesota Statutes 1987 Supplement, section 62A.50, subdivision 3, is amended to read:

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 and the differences between this policy, a supplemental Medicare policy and the benefits to which an individual is entitled under parts A and B of Medicare and the differences between policy designations A and AA;

(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, OR ADULT DAY 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;

(7) the following language, in bold print: "NOT EVERYONE NEEDS LONG-TERM CARE INSURANCE. THERE IS A PROGRAM CALLED MEDICAL ASSISTANCE WHICH HELPS PAY FOR NURSING HOME CARE FOR SOME PEOPLE. OUR AGENTS ARE NOT QUALIFIED TO EXPLAIN THE SPECIFIC REQUIREMENTS FOR MEDICAL ASSISTANCE ELIGIBILITY OR COVERAGE. FOR INFORMATION ON MEDICAL ASSISTANCE CALL YOUR LOCAL OLDER AMERICANS LEGAL SERVICES PROGRAM, YOUR LOCAL OFFICE OF OMBUDSMAN FOR OLDER MINNESOTANS, OR YOUR COUNTY HUMAN SERVICES DEPARTMENT.";

(8) the following language, in bold print: "YOUR PREMIUMS CAN BE INCREASED IN THE FUTURE. WE DO NOT KNOW, TODAY, HOW MUCH YOUR PREMIUM WILL BE IN FUTURE YEARS. THE RATE SCHEDULE THAT LISTS YOUR PREMIUM NOW CAN CHANGE.";

(9) the following language, if applicable, in bold print: "A SIGNIFICANT NUMBER OF PEOPLE ARE NOT HOSPITALIZED PRIOR TO ENTERING A NURSING HOME OR NEEDING HOME CARE, AND THEY WOULD NOT BE ABLE TO COLLECT ANY BENEFITS UNDER THIS PARTICULAR POLICY."; and

(10) a signed and completed copy of the application for insurance is left with the applicant at the time the application is made.

Sec. 11. Minnesota Statutes 1986, section 62A.54, is amended to read:

62A.54 [PROHIBITED PRACTICES.]

Unless otherwise provided for in Laws 1986, chapter 397, sections 2 to 8, 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.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any specific inquiry regarding medical assistance or long-term care financing shall be answered with, and every oral marketing presentation must contain, the following statements: "There is a program called medical assistance which helps pay for nursing home care. Our agents are (or I am) not qualified to advise you on the specific requirements for medical assistance eligibility. For information on medical assistance you can call your local older Americans legal services program, your local office of ombudsman for older Minnesotans, or your county human services department."

Sec. 12. [62A.57] [POLICY REPLACEMENT.]

No insurer or agent shall replace a long-term care policy with another long-term care policy of the same category unless there is a substantial difference in cost favorable to the policyholder, or the insured has previously demonstrated a dissatisfaction with the service presently being received from the current insurer. An insurer or agent may replace an AA classification long-term care policy with an A classification long-term care policy only if the prospective insured signs an acknowledgment that it is understood that the prospective insured will receive fewer benefits under the new policy than under the policy presently in force.

Sec. 13. [62A.58] [RESTRICTIONS ON POLICY ISSUANCE.]

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a long-term care policy, as defined in sections 62A.46 and 62A.48, to a person who currently has one plan in effect. However, an agent may sell a replacement plan under section 62A.57 if the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. An application for long-term care insurance must require a listing of all long-term care insurance maintained by the applicant as of the date of application and the date the existing coverage expires.

Subd. 2. [REFUNDS.] An insurer that issues a long-term care plan to a person who has one plan then in effect, except as permitted in subdivision 1, shall, at the request of the insured, either refund the premiums or pay any claims on the policy, whichever is greater.

Subd. 3. [ACTION BY COMMISSIONER.] If the commissioner determines after an investigation that an insurer has issued a long-term care plan to a person who already has one plan, except as permitted in subdivision 1, the commissioner shall notify the

insurer in writing of the determination. If the insurer after notification fails to take reasonable action to prevent overselling, the commissioner may, in the manner prescribed in chapter 45, revoke or suspend the insurer's authority to sell accident and health insurance in the state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 14. [62C.143] [DEPENDENT COVERAGE.]

A subscriber contract of a nonprofit health service plan corporation which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 15. Minnesota Statutes 1987 Supplement, section 62D.102, is amended to read:

62D.102 [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital and at least 75 percent of the cost of the usual and customary charges for any additional hours of ambulatory mental health treatment during the same 12-month benefit period for serious ~~and~~ or persistent mental or nervous disorders.

Prior authorization may be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not exceed~~ be limited to a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a health maintenance organization provider.

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single

family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 16. [62D.104] [DEPENDENT COVERAGE.]

A health maintenance organization subscriber contract must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care. Coverage under this section shall apply only if the dependent child resides within the service area of the health maintenance organization or if the dependent child is a birth or legally adopted child.

Sec. 17. Minnesota Statutes 1986, section 62E.04, is amended by adding a subdivision to read:

Subd. 9. [REDUCTION OF BENEFITS BECAUSE OF ERISA SERVICES.] No plan of health coverage including, but not limited to, any plan under the federal Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, sections 1001 to 1461, which covers a Minnesota resident shall deny or reduce benefits because services are rendered to a covered person or dependent who is eligible for or receiving benefits under chapter 256B.

Sec. 18. Minnesota Statutes 1986, section 62E.04, is amended by adding a subdivision to read:

Subd. 10. [DEPENDENT COVERAGE.] A plan of health coverage under the Federal Employee Retirement Income Security Act of 1974 (ERISA), United State Code, title 29, sections 1001 to 1461, which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who are eligible for or receiving benefits under chapter 256B and who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 19. Minnesota Statutes 1987 Supplement, section 129A.01, subdivision 5, is amended to read:

Subd. 5. [HANDICAPPED PERSON PERSON WITH A DISABILITY.] "Handicapped person" "Person with a disability" means a person who because of a substantial physical, mental, or emotional

disability or dysfunction requires special services in order to enjoy the benefits of society.

Sec. 20. Minnesota Statutes 1987 Supplement, section 129A.01, subdivision 6, is amended to read:

Subd. 6. [LONG TERM SHELTERED WORKSHOP REHABILITATION FACILITY.] "Long-term sheltered workshop Rehabilitation facility" means a facility where any manufacture or handiwork is carried on and an entity which meets the definition of "rehabilitation facility" in the federal Rehabilitation Act of 1973, as amended; however, for the purposes of sections 129A.03, paragraph (a), 129A.06, 129A.07, and 129A.08, "rehabilitation facility" means an entity which is operated for the primary purpose of providing remunerative employment to those handicapped persons with a disability who, as a result of physical or mental disability, are unable to participate in competitive employment. A long-term sheltered workshop rehabilitation facility shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during such time as employment opportunities for them in the competitive labor market do not exist.

Sec. 21. Minnesota Statutes 1987 Supplement, section 129A.01, subdivision 7, is amended to read:

Subd. 7. [WORK ACTIVITY PROGRAM.] "Work activity program" means a program which utilizes paid work and training services for the primary purpose of providing basic vocational skills development for the handicapped persons with a disability and which permits a level of production below that required for a long-term employment program.

Sec. 22. Minnesota Statutes 1986, section 129A.02, subdivision 3, is amended to read:

Subd. 3. [CONSUMER ADVISORY COUNCIL.] To assure that consumer concerns are integral parts of the considerations of a major consideration in the department department's programs, policies, and decision making process, the commissioner shall establish and appoint a consumer advisory council on vocational rehabilitation which shall be composed of ~~nine~~ no more than 13 members. No fewer than five A majority of the members of the council shall be handicapped persons, and there shall be with a disability who are current or former recipients of vocational rehabilitation services or who represent consumer/advocacy organizations that regularly serve vocational rehabilitation clients. If a qualified person is available to so serve, one person shall be appointed to the council to represent each of the following: business, labor, education, medicine and the private not-for-profit rehabilitation industry. The remaining members shall be public members. Under the direction of the

commissioner, the council shall organize itself and elect a chair and other officers as it deems appropriate. The council shall meet at the call of the chair or the commissioner as often as necessary. The council shall expire and the terms, compensation, and removal of members of the council shall be as provided in section 15.059. The council shall not expire as provided by section 15.059, subdivision 5.

Sec. 23. Minnesota Statutes 1987 Supplement, section 129A.03, is amended to read:

129A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) certify the long term sheltered workshops rehabilitation facilities to offer extended employment programs, grant funds to the extended employment programs, and perform the duties as specified in section 129A.08;

(b) provide vocational rehabilitation services such as to persons with disabilities in accordance with the state plan for vocational rehabilitation. These services include but are not limited to: diagnostic and related services incidental to determination of eligibility for services to be provided, including medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic and orthotic devices, all of which shall be obtained from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment; maintenance; books, supplies and training materials; initial stocks and supplies; placement; on-the-job skill training and time-limited postemployment services leading to supported employment; acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs or services rendered by severely disabled persons; establishment, improvement, maintenance or extension of public and other nonprofit rehabilitation facilities, centers, workshops, demonstration projects and research. These services shall be provided for handicapped persons in the state whose capacity to earn a living has in any way been destroyed or impaired through industrial accident or otherwise; these Persons with a disability are entitled to free choice of vendor for any medical or, dental, prosthetic, or orthotic services provided under this paragraph;

(c) expend funds and provide technical assistance for the establishment, improvement, maintenance, or extension of public and other nonprofit rehabilitation facilities or centers;

(d) formulate plans of cooperation with the commissioner of labor

and industry for providing services to workers covered under the workers' compensation act;

(d) (e) maintain a contractual or regulatory relationship with the United States as authorized by the act of Congress approved September 1, 1954, known as the "Social Security Amendments of 1954," Public Law Number 761, section 221, and the act approved October 30, 1972, known as the Social Security Amendments of 1972, Public Law Number 92-603, and subsequent amendments Social Security Act, as amended. Under the contract this relationship, the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to a class or classes of individuals in this state that is designated in the agreement at the state's request. It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;

(e) (f) provide an in-service training program for department division of rehabilitation services employees by paying for its direct costs with state and federal funds;

(f) (g) conduct research and demonstration projects; provide training and instruction, including establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to the handicapped persons with a disability and the general public; and provide technical assistance relating to vocational rehabilitation and independent living;

(g) (h) receive and disburse pursuant to law money and gifts available from governmental and private sources including, but not limited to, the federal Department of Education and the Social Security Administration, for the purpose of vocational rehabilitation or independent living. Money received from workers' compensation carriers for vocational rehabilitation services to injured workers must be deposited in the general fund;

(h) (i) design all state plans of for vocational rehabilitation or independent living services required as a condition to the receipt and disbursement of any money available from the federal government;

(i) (j) cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation or independent living. Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation or independent living programs;

(j) (k) enter into contractual arrangements with instrumentalities

of federal, state, or local government and with private individuals, organizations, agencies, or facilities with respect to providing vocational rehabilitation or independent living services;

(k) (l) take other actions required by state and federal legislation relating to vocational rehabilitation, independent living, and disability determination programs;

(l) (m) hire staff and arrange services and facilities necessary to perform the duties and powers specified in this section; and

(m) (n) adopt, amend, suspend, or repeal rules necessary to implement or make specific programs that the commissioner by sections 129A.01 to 129A.09 is empowered to administer.

Sec. 24. Minnesota Statutes 1987 Supplement, section 129A.06, subdivision 1, is amended to read:

Subdivision 1. Any city, town, county, nonprofit corporation, state regional center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community ~~long-term sheltered workshop~~ rehabilitation facility. Application for assistance shall be on forms supplied by the commissioner. Each applicant shall annually submit to the commissioner its plan and budget for the next fiscal year. No applicant shall be eligible for a grant hereunder unless its plan and budget have been approved by the commissioner.

Sec. 25. Minnesota Statutes 1987 Supplement, section 129A.07, subdivision 1, is amended to read:

Subdivision 1. Every city, town, county, nonprofit corporation, or combination thereof establishing a ~~long-term sheltered workshop~~ rehabilitation facility shall appoint a ~~long-term sheltered workshop~~ rehabilitation facility board of no fewer than nine members before becoming eligible for the assistance provided by sections 129A.06 to 129A.08. When any city, town, or county singly establishes such a ~~workshop~~ rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties or nonprofit corporations establishes a ~~workshop~~ rehabilitation facility, the chief executive officers of the cities, nonprofit corporations and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a ~~workshop~~ rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a handi-capped person with a disability. One-third to one-half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for ~~the handi-capped~~ persons with a disability, labor, the general public, and

education, welfare, medical, and health professions. Nothing in sections 129A.06 to 129A.08 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as representation described above is preserved. If a state regional center establishes an extended employment program, the chief executive officer of the state regional center shall perform the functions of the rehabilitation facility board as prescribed in subdivision 3. The regional center is not required to establish a separate governing body as a board. The state regional center shall establish an advisory committee following the membership representation requirements of this subdivision. If a county establishes a workshop, an extended employment program and manages the workshop program with county employees, the governing board shall be the county board of commissioners and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 26. Minnesota Statutes 1987 Supplement, section 129A.08, subdivision 1, is amended to read:

Subdivision 1. [GRANTS.] The commissioner may make grants to assist cities, towns, counties, nonprofit corporations, state regional centers, or any combination thereof in the establishment, operation, and expansion of the extended employment programs offered by long term sheltered workshops rehabilitation facilities. The commissioner may accept federal grants or aids and shall cooperate with federal agencies in any reasonable manner necessary to qualify for federal grants or aids for long term sheltered workshops rehabilitation facilities or their programs.

Sec. 27. Minnesota Statutes 1987 Supplement, section 129A.08, is amended by adding a subdivision to read:

Subd. 1a. [GRANTS FOR PERSONS ON WAITING LISTS.] If the division of rehabilitation services demonstrates that eligible persons are on a waiting list for community based employment program services, the commissioner shall grant funds to certified rehabilitation facilities to provide needed services. The amount of the grant shall be determined in a manner prescribed in rule, provided that all grant funds under this subdivision must be allocated to the community based employment program.

Sec. 28. Minnesota Statutes 1987 Supplement, section 129A.08, subdivision 4, is amended to read:

Subd. 4. [EVALUATION OF PROGRAMS.] The program evaluation must include, but not be limited to, the following considerations:

(a) Wages and benefits paid to sheltered employees extended employment program participants and number of hours worked;

(b) Rate of placement in competitive employment;

(c) Opportunities for sheltered employees extended employment program participants to participate in decisions affecting their employment;

(d) Workshop Rehabilitation facility responsiveness to sheltered employees extended employment program participants' grievances;

(e) Increases in individual sheltered employee extended employment program participants' productivity;

(f) Implementing innovative ways to increase placement and retention of sheltered employees in competitive employment, or in sheltered positions with competitive employers, or innovative ways that increase sheltered employee wages;

(g) Efficiency of the workshops rehabilitation facilities; and

~~(h)~~ (g) Types and levels of disability of the sheltered employees extended employment program participants and willingness of the workshop rehabilitation facility to accept and assist persons with serious behavioral, mental, sensory, or physical disabilities.

The evaluation must take into account the disability levels of the sheltered employees extended employment program participants, the geographic location and size of the workshop rehabilitation facility and the economic conditions of the surrounding community.

Sec. 29. Minnesota Statutes 1987 Supplement, section 129A.08, is amended by adding a subdivision to read:

Subd. 4a. [FUND ALLOCATION.] Funds appropriated for the extended employment program shall be distributed to rehabilitation facilities in a manner prescribed in rule, provided that 15 percent shall be allocated based on economic conditions as defined in rule and that, for funding purposes, no credit can be given for full-time equivalents, as defined in rule, in excess of the number of persons in the program.

Sec. 30. Minnesota Statutes 1987 Supplement, section 129A.08, subdivision 5, is amended to read:

Subd. 5. [RULE AUTHORITY.] In addition to the powers already conferred by law, the commissioner shall promulgate rules on:

(a) state certification of all long-term sheltered workshops rehabilitation facilities;

(b) allocation of state grant funds to extended employment programs;

(c) standards for qualification of personnel and quality of professional service and for in-service training and education leave programs for personnel;

(d) eligibility for service so that no person will be denied service on the basis of race, creed, or color;

(e) regulatory fees for consultation services;

(f) standards and criteria by which handicapped persons with a disability are to be judged eligible for the services;

(g) evaluation criteria for extended employment programs; and

(h) program evaluation criteria for work activity programs in order to determine the extent to which these programs meet the goals and objectives established in state and federal law relating to work activity programs.

The rules on evaluation criteria for long-term sheltered workshops rehabilitation facilities must be in effect by July 1, 1986. The rules must be used in making allocations for fiscal years beginning after June 30, 1987.

Sec. 31. Minnesota Statutes 1986, section 129A.09, is amended to read:

129A.09 [EXPENDITURE OF FEDERAL FUNDS.]

Notwithstanding the provisions of Laws 1975, chapter 433, section 2, subdivision 9, Any additional federal funds which become available to the state of Minnesota for vocational rehabilitation or independent living purposes after ~~March 1, 1976 and April 1 of each fiscal year thereafter~~ as a result of a reallocation of funds returned by other states or release of additional funds may be carried over and expended in the next fiscal year. ~~The state of Minnesota shall have earned these funds in the year they are received with state expenditures in accordance with the federal-state formula in effect for that year. These funds shall be subject to the provisions of Laws 1976, chapter 332, section 9, subdivision 8.~~

Sec. 32. Minnesota Statutes 1986, section 129A.10, is amended to read:

129A.10 [INDEPENDENT LIVING SERVICES.]

Subdivision 1. [SERVICES OFFERED.] Independent living services are those services designed to materially improve opportunities for persons with disabilities to live and function more independently in their home, family, and community, and the services include:

- (1) intake counseling to determine the individual's needs for services;
- (2) referral and counseling services with respect to attendant care;
- (3) counseling and advocacy with respect to legal and economic rights and benefits;
- (4) independent living skills, training, and counseling;
- (5) housing and transportation referral and assistance;
- (6) surveys, directories, and other activities to identify appropriate housing and accessible transportation and other support services;
- (7) peer counseling;
- (8) education and training necessary to living in the community and participating in community affairs;
- (9) individual and group social and recreational activities;
- (10) attendant care and training of personnel to provide the care; and
- (11) other necessary services which are not inconsistent with sections 62A.26 and 62E.06, subdivision 1.

Subd. 2. [ADMINISTRATION.] This section shall be administered by the department of jobs and training through the division of ~~vocational~~ rehabilitation services. The department may employ staff as reasonably required to administer this section and may accept and receive funds from nonstate sources for the purpose of effectuating this section.

Subd. 3. [CERTIFICATION.] No applicant center for independent living may receive funding under this section unless it has received certification from the division of ~~vocational~~ rehabilitation services.

The division of ~~vocational~~ rehabilitation services shall involve ~~disabled consumers~~ persons with a disability and other interested persons to consider performance evaluation criteria in order to formulate rules by which centers will be certified by July 1, 1986.

The division of ~~vocational~~ rehabilitation services shall review the programs for centers of independent living receiving funds from this section to determine their adherence to standards adopted by rule and if the standards are substantially met, shall issue appropriate certifications.

Subd. 4. [APPLICATION OF CENTERS FOR INDEPENDENT LIVING.] The division of ~~vocational~~ rehabilitation services shall require centers for independent living to complete application forms, expenditure reports, and proposed plans and budgets. These reports must be in the manner and on the form prescribed by the division. When applying, the center for independent living shall agree to provide reports and records, and make available records for audit as may be required by the division of ~~vocational~~ rehabilitation services.

The applicant center for independent living shall be notified in writing by the division concerning the approval of budgets and plans.

Sec. 33. Minnesota Statutes 1986, section 144.053, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding any rule to the contrary, the commissioner of health or the commissioner's agent is not required to solicit information that personally identifies persons selected to participate in an epidemiologic study if the commissioner determines that:

(1) the study monitors incidence or prevalence of a serious disease to detect potential health problems and predict risks, provides specific information to develop public health strategies to prevent serious disease, enables the targeting of intervention resources for communities, patients, or groups at risk of the disease, and informs health professionals about risks, early detection, or treatment of the disease;

(2) the personally identifying information is not necessary to validate the quality, accuracy, or completeness of the study;

(3) the collection of personally identifying information may seriously jeopardize the validity of study results, as demonstrated by an epidemiologic study.

Sec. 34. Minnesota Statutes 1986, section 144.053, is amended by adding a subdivision to read:

Subd. 6. [REPORT ON HUMAN IMMUNODEFICIENCY VIRUS TESTING.] The commissioner of health shall submit a report to the legislature by February 15, 1989, that:

(1) identifies existing quality controls and standards for laboratories that perform human immunodeficiency virus testing and specifies whether additional quality assurance measures are needed to assure accurate test results; and

(2) identifies the level of counseling and education that is occurring for individuals who are tested for the human immunodeficiency virus and specifies whether additional measures are needed to ensure that individuals tested for the human immunodeficiency virus are adequately counseled about the meaning of the test, test results, and steps the individual should take to protect the individual and others from infection.

Sec. 35. [144.054] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of health must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of health must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section shall not prevent the operation of program laws that are not the subject of the noncomplying materials.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 36. Minnesota Statutes 1986, section 144.125, is amended to read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS CAUSING MENTAL RETARDATION.]

Subdivision 1. [PROCEDURES.] It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every such infant or child in its care tests for hemoglobinopathy, phenylketonuria and other inborn errors of metabolism causing mental retardation in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of such tests shall be performed at such times and in such manner as may be prescribed by the state commissioner of health. The provisions of this section shall not apply to any infant whose parents object thereto on the grounds that such tests and treatment conflict with their religious tenets and practices.

Subd. 2. [FEES.] The commissioner shall charge laboratory service fees in an amount approximate to the cost of conducting the tests of infants for inborn metabolic errors. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of these laboratory service fees.

Sec. 37. [144.97] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to section 144.98.

Subd. 2. [CERTIFICATION.] "Certification" means written acknowledgement of a laboratory's demonstrated capability to perform tests for a specific purpose.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [CONTRACT LABORATORY.] "Contract laboratory" means a laboratory that performs tests on samples on a contract or fee-for-service basis.

Subd. 5. [LABORATORY.] "Laboratory" means the state, a person,

corporation, or other entity, including governmental, that examines, analyzes, or tests samples.

Subd. 6. [ENVIRONMENTAL SAMPLE.] "Environmental sample" means a substance derived from a nonhuman source and collected for the purpose of analysis.

Sec. 38. [144.98] [CERTIFICATION OF ENVIRONMENTAL LABORATORIES.]

Subdivision 1. [AUTHORIZATION.] The commissioner of health may certify laboratories that test environmental samples.

Subd. 2. [RULES.] The commissioner may adopt rules to implement this section, including:

(1) procedures, requirements, and fee adjustments for laboratory certification, including provisional status and recertification;

(2) standards and fees for certificate approval, suspension, and revocation;

(3) standards for environmental samples;

(4) analysis methods that assure reliable test results;

(5) laboratory quality assurance, including internal quality control, proficiency testing, and personnel training; and

(6) criteria for recognition of certification programs of other states and the federal government.

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the annual fee specified in this subdivision. The fees are for:

(1) base certification fee, \$250; and

(2) test category certification fees:

<u>Test Category</u>	<u>Certification Fee</u>
<u>Bacteriology</u>	<u>\$100</u>
<u>Inorganic chemistry, fewer than 4 constituents</u>	<u>\$ 50</u>
<u>Inorganic chemistry, 4 or more constituents</u>	<u>\$150</u>
<u>Chemistry metals, fewer than 4 constituents</u>	<u>\$100</u>
<u>Chemistry metals, 4 or more constituents</u>	<u>\$250</u>
<u>Volatile organic compounds</u>	<u>\$300</u>
<u>Other organic compounds</u>	<u>\$300</u>

(b) The total annual certification fee is the base fee plus the applicable test category fees. The annual certification fee for a contract laboratory is 1.5 times the total certification fee.

(c) Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.

(d) The commissioner of health may adjust fees under section 16A.128, subdivision 2. Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.

Subd. 4. [FEES FOR LABORATORY PROFICIENCY TESTING AND TECHNICAL TRAINING.] The commissioner of health may set fees for proficiency testing and technical training services under section 16A.128. Fees must be set so that the total fees will include the following direct costs of the proficiency testing and technical training services: salaries, supplies and equipment, travel expenses, and attorney general costs attributable to the fee function.

Subd. 5. [LABORATORY CERTIFICATION ACCOUNT.] There is an account in the state treasury called the laboratory certification account. Fees collected under this section and appropriations for the purposes of this section must be put into the laboratory certification account. Money in the laboratory certification account is annually appropriated to the commissioner of health to administer this section.

Sec. 39. Minnesota Statutes 1986, section 144A.04, is amended by adding a subdivision to read:

Subd. 7. [MINIMUM NURSING STAFF REQUIREMENT.] Notwithstanding the provisions of Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel in nursing homes is as follows:

(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized resident day.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, parts 4655.5900, 4655.6100, and 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also

not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day.

(c) Calculation of nursing hours per standardized resident day is performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

Sec. 40. Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home

proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility, or necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and (2) the nursing home beds are not certified for participation in the medical assistance program;

(1) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home under common ownership with or control of a hospital to the hospital when a hospital-attached nursing home is moved simultaneously to the hospital to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. ~~When a separate nursing home and a hospital-attached nursing home under common ownership or~~

control are simultaneously relocated to a hospital building, a combined cost report must be submitted for the cost reporting year ending September 30, 1987, and the freestanding nursing home limits apply. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds; or

(o) to certify or license new beds in a new facility on the Red Lake Indian reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements; or

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause.

Sec. 41. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.

Sec. 42. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules, the interagency board shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 3, clause (j). The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency board within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, or conversion;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

(7) for proposals involving replacement or renovation of all or part of a facility which is not air conditioned, a proposal to add air conditioning to the portions undergoing replacement or renovation. If the applicant feels it has good cause for not recommending this portion of the proposal, it shall state its reasons;

(8) the proposed timetable for commencing construction and completing the project; and

(8) (9) other information required by rule of the commissioner of health.

Sec. 43. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7, is amended to read:

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or approved under this section involving upgrading must satisfy the following conditions:

(a) ~~No proposal for upgrading may be approved after June 30, 1989.~~

(b) ~~No more than one proposal for upgrading may be approved for a facility.~~

(c) ~~Upgrading is limited to a total of ten beds.~~

(d) ~~The facility must meet minimum nursing home care standards.~~

(e) ~~Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.~~

(f) (b) ~~If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.~~

(g) (c) ~~The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the department of health.~~

(h) The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.

Sec. 44. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 8, is amended to read:

Subd. 8. [RULEMAKING.] The commissioner of health shall adopt emergency or permanent rules to implement this section. The authority to adopt emergency rules continues until December 30, 1988.

Sec. 45. Minnesota Statutes 1986, section 145.853, subdivision 2, is amended to read:

Subd. 2. In seeking to determine whether a disabled person suffers from an illness, a law enforcement officer shall make a reasonable search for an identifying device and an identification card of the type described in section 145.852, subdivision 2 and examine them for emergency information. The law enforcement officer may not search for an identifying device or an identification card in a manner or to an extent that would appear to a reasonable person in the circumstances to cause an unreasonable risk of worsening the disabled person's condition. The law enforcement officer may not remove an identifying device or an identification card from the possession of a disabled person unless the removal is necessary for law enforcement purposes or to protect the safety of the disabled person.

Sec. 46. Minnesota Statutes 1986, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites;

(d) Develop in cooperation with other agencies and vendors a

uniform state voucher system for the delivery of nutritional supplements;

(e) Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the quality of nutrition education and health services provided by the agency will not be adversely impacted;

(f) Investigate and implement an infant formula cost reduction system that will reduce the cost of nutritional supplements so that by October 1, 1988, additional mothers and children will be served;

(g) Develop, analyze and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

(i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

(j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

(k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897; and

(l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year.

Sec. 47. [145.924] [AIDS PREVENTION GRANTS.]

The commissioner may award grants to local boards of health, state agencies, state councils, or nonprofit corporations to provide evaluation and counseling services to populations at risk for acquiring human immunodeficiency virus infection, including, but not limited to, minorities, adolescents, intravenous drug users, and homosexual men.

Sec. 48. Minnesota Statutes 1987 Supplement, section 148B.23, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION FROM EXAMINATION.] For two years from July 1, 1987, the board shall issue a license without examination to an applicant:

(1) for a licensed social worker, if the board determines that the applicant has received a baccalaureate degree from an accredited program of social work, or that the applicant has at least a baccalaureate degree from an accredited college or university and two years in full-time employment or 4,000 hours of experience in the supervised practice of social work within the five years before July 1, 1987 1989;

(2) for a licensed graduate social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board;

(3) for a licensed independent social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board; and, after receiving the degree, has practiced social work for at least two years in full-time employment or 4,000 hours under the supervision of a social worker meeting these requirements, or of another qualified professional; and

(4) for a licensed independent clinical social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline as approved by the board; and, after receiving the degree, has practiced clinical social work for at least two years in full-time employment or 4,000 hours under the supervision of a clinical social worker meeting these requirements, or of another qualified mental health professional.

Sec. 49. Minnesota Statutes 1987 Supplement, section 148B.42, subdivision 1, is amended to read:

Subdivision 1. [FILING.] All mental health service providers shall file with the state, on a form provided by the board, their name; home and business address; telephone number; degrees held, if any, major field, and whether the degrees are from an accredited institution and how the institution is accredited; and any other relevant experience. An applicant for filing who has practiced in another state shall authorize, in writing, the licensing or regulatory entity

in the other state or states to release to the board any information on complaints or disciplinary actions pending against that individual, as well as any final disciplinary actions taken against that individual. The board shall provide a form for this purpose. The board may reject a filing if there is evidence of a violation of or failure to comply with this chapter. Filings under this subdivision are public data.

Sec. 50. [152A.01] [INSTITUTE ESTABLISHED; STRUCTURE; BOARD OF DIRECTORS.]

Subdivision 1. [INSTITUTE ESTABLISHED; NAME.] The Minnesota Institute for Addiction and Stress Research is established. For purpose of sections 152A.01 to 152A.05, "institute" means the Minnesota Institute for Addiction and Stress Research. All business of the institute must be conducted under the name "Minnesota Institute for Addiction and Stress Research." The institute is funded by a grant from the commissioner of health.

Subd. 2. [BOARD OF DIRECTORS.] The institute must be governed by a board of 13 directors appointed by the governor. Terms are for six years. Five of the initial directors must be appointed for six-year terms, five for four-year terms, and three for two-year terms.

Subd. 3. [BOARD COMPOSITION; EXECUTIVE COMMITTEE.] (a) The board must include representatives from the Minnesota department of health, the medical and scientific teams of the institute, established health organizations, private citizens, and corporate representatives. The vice president for finance and operations of the institute shall serve as an ex-officio member of the board.

(b) An executive committee of four members of the board and the vice president for finance and operations of the institute shall oversee the regular activities of the institute and keep the board informed of progress and new developments at the institute.

Subd. 4. [OPERATING PROCEDURES.] The board shall adopt operating procedures necessary to conduct the business of the institute, consistent with sections 152A.01 to 152A.05. Adoption of operating procedures under this subdivision is not subject to the administrative procedure act under chapter 14.

Subd. 5. [PLACES OF BUSINESS.] The board shall locate and maintain the institute's places of business within the state.

Subd. 6. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least three times a year and may hold additional meetings as determined necessary by the executive committee, upon

giving notice as provided in the operating procedures adopted by the board.

Sec. 51. [152A.02] [INSTITUTE PERSONNEL.]

Subdivision 1. [PRESIDENT.] The board shall appoint a president, who serves as chief executive officer of the institute. Subject to the control of the board, the president may appoint subordinate employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] The president, all managerial employees, and all persons employed as medical specialists or research scientists serve in the unclassified state civil service, and are excluded from collective bargaining. These persons shall participate in the state unclassified employees retirement program. All other employees of the board serve in the classified state civil service.

Subd. 3. [COMPENSATION PLANS.] Notwithstanding any law to the contrary, the board shall set total compensation for its unclassified employees, subject to approval of the commissioner of employee relations. The salary of the president is not a limit on compensation of other board employees. In establishing and approving total compensation, the board and the commissioner shall assure that the board is able to attract and retain qualified doctors of medicine.

Sec. 52. [152A.03] [POWERS OF THE INSTITUTE.]

In addition to other powers granted by sections 152A.01 to 152A.05, the institute may:

- (1) sue, and be sued;
- (2) have a seal and alter it at will;
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;
- (5) acquire and dispose of real property or an interest in real property;
- (6) purchase insurance;
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;

(8) consent to the modification of a contract or agreement to which the institute is a party;

(9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the institute, or an account created by the institute for that purpose;

(10) develop, buy, and possess financial and technical information, including credit reports and financial statements;

(11) accept gifts, grants, and bequests and use or dispose of them for its purposes; and

(12) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or lease of products or businesses.

Sec. 53. [152A.04] [OPERATIONS PLAN; REPORTS.]

Subdivision 1. [OPERATIONS PLAN.] The board shall submit a progress report and an operations plan to the governor and the legislature by January 1, 1989. The plan must include the board's operating procedures, accounting procedures, personnel procedures, investment procedures, and rules of conduct and ethics.

Subd. 2. [REPORTS.] The board shall report quarterly to the commissioner of finance, on forms provided by the commissioner of finance, information about fiscal performance and status. The board shall also report quarterly to the commissioner of health, on forms provided by the commissioner of health, information about the institute's status, research and clinical projects and findings, and performance.

Sec. 54. [152A.05] [MONITORING; TERMINATION.]

Subdivision 1. [MONITORING.] All relevant records and the performance of the institute shall be monitored by the commissioner of health to assure that the institute continues to demonstrate the following:

(1) the ability to carry out task-oriented basic and clinical neurobiological research on addictive disorders and the commitment to develop an integrated, comprehensive program of basic and clinical research;

(2) the institute's involvement in basic and clinical research of stress especially as it relates to addictive disorders and chronic viral infections;

(3) the ability to work with other research and education programs;

(4) the ability to cooperate with interested health professionals throughout the state to implement the research findings;

(5) the ability to seek and receive outside funding;

(6) a significant ongoing treatment program based on a medical model capable of statewide application;

(7) the relatively close proximity to a major medical educational institution; and

(8) the commitment to develop a program to educate the public about addictive and stress-related medical disorders and also to train therapists in Minnesota.

Subd. 2. [TERMINATION.] If the commissioner of health finds that the institute is not continuing to meet the requirements in subdivision 1, the commissioner of health may terminate the grant to the institute upon 90 days' notice to the board.

Sec. 55. [157.081] [FINES.]

Subdivision 1. [FINES FOR VIOLATIONS; LIMITS.] The commissioner shall impose a civil fine for repeated or egregious violation of rules relating to facilities licensed under chapter 157 or 327. The fine shall be assessed for each day the licensed facility fails to comply with the rules. A fine for a specific violation shall not exceed \$50 per day.

Subd. 2. [SCHEDULE OF FINES; RULES.] The commissioner shall establish a schedule of fines by adopting rules.

Subd. 3. [NOTICE OF FINE; APPEAL.] A licensed facility that is fined under subdivision 1 shall be notified of the fine by certified mail. The notice must be mailed to the address shown on the application for the license or the last known address of the licensed facility. The notice must state the reasons for the fine and must inform the licensed facility of the right to a contested case hearing under chapter 14.

Sec. 56. [179A.30] [REGIONAL TREATMENT CENTER, NURSING HOME, AND COMMUNITY-BASED FACILITY EMPLOYEES.]

Subdivision 1. [EXCLUSIVE REPRESENTATIVE.] The exclusive representative of employees may meet and negotiate with the commissioner of employee relations, in consultation with the com-

missioner of human services, concerning possible changes in hours or work schedules that could produce cost reductions in the biennium in the regional treatment centers.

Subd. 2. [COMMISSIONER OF EMPLOYEE RELATIONS.] The commissioner of employee relations shall meet and negotiate in accordance with chapter 179A with the appropriate exclusive representative of the regional treatment center employees concerning the terms and conditions of employment that result from state-operated, community-based residential programs established under section 252.035.

Sec. 57. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 3, is amended to read:

Subd. 3. [CASE MANAGEMENT ACTIVITIES.] "Case management activities" means activities that are part of coordinated with the community support services program as defined in subdivision 6 and are designed to help people with serious and persistent mental illness in gaining access to needed medical, social, educational, vocational, and other necessary services as they relate to the client's mental health needs. Case management activities include obtaining a diagnostic assessment, developing an individual community support plan, referring the person to needed mental health and other services, ~~coordinating~~ ensuring coordination of services, and monitoring the delivery of services.

Sec. 58. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGER.] "Case manager" means an individual employed by the county or other entity authorized by the county board to provide the case management activities as part of a community support services program specified in sections 245.462, subdivision 3; 245.471; and 245.475. A case manager must be qualified at the mental health practitioner level with a bachelors degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for the benefit of the client. The case manager must meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of services to persons with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of persons with serious and persistent mental illness and must receive clinical supervision regarding individual service

delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.

Sec. 59. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY SUPPORT SERVICES PROGRAM.] "Community support services program" means services, other than inpatient or residential treatment services, provided or coordinated by an identified program and staff under the clinical supervision of a mental health professional designed to help people with serious and persistent mental illness to function and remain in the community. A community support services program includes case management activities provided to persons with serious and persistent mental illness;

- (1) client outreach,
- (2) medication management,
- (3) assistance in independent living skills,
- (4) development of employability and supportive work opportunities,
- (5) crisis assistance,
- (6) psychosocial rehabilitation,
- (7) help in applying for government benefits, and
- (8) the development, identification, and monitoring of living arrangements.

The community support services program must be coordinated with the case management activities specified in sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 60. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 17, is amended to read:

Subd. 17. [MENTAL HEALTH PRACTITIONER.] "Mental health practitioner" means a person providing services to persons with mental illness who is qualified in at least one of the following ways:

- (1) holds a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university, and has at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness;

(2) has at least 6,000 hours of supervised experience in the delivery of services to persons with mental illness;

(3) is a graduate student in one of the behavioral sciences or related fields and is formally assigned by an accredited college or university to an agency or facility for clinical training by an accredited college or university; or

(4) holds a master's or other graduate degree in one of the behavioral sciences or related fields from an accredited college or university with and has less than 4,000 hours post-master's experience in the treatment of mental illness.

Sec. 61. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 18, is amended to read:

Subd. 18. [MENTAL HEALTH PROFESSIONAL.] "Mental health professional" means a person providing clinical services in the treatment of mental illness who is qualified in at least one of the following ways:

(1) in psychiatric nursing: a registered nurse with a master's degree in one of the behavioral sciences or related fields from an accredited college or university or its equivalent, who is licensed under sections 148.171 to 148.285, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(2) in clinical social work: a person licensed as an independent clinical social worker under section 148B.21, subdivision 6, or a person with a master's degree in social work from an accredited college or university, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness;

(3) in psychology: a psychologist licensed under sections 148.88 to 148.98 who has stated to the board of psychology competencies in the diagnosis and treatment of mental illness;

(4) in psychiatry: a physician licensed under chapter 147 and certified by the American board of psychiatry and neurology or eligible for board certification in psychiatry; or

(5) in allied fields: a person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services in the treatment of mental illness.

Sec. 62. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 19, is amended to read:

Subd. 19. [MENTAL HEALTH SERVICES.] "Mental health services" means at least all of the treatment services and case management activities that are provided to persons with mental illness and are described in sections ~~245.468~~ 245.461 to 245.476 245.486.

Sec. 63. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) A "person with acute mental illness" means a person who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of ~~sections 245.461 to 245.486~~ case management and community support services, a "person with serious and persistent mental illness" means a person who has a mental illness and meets at least one of the following criteria:

(1) the person has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;

(2) the person has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months;

(3) the person:

(i) has had a history of recurring inpatient or residential treatment episodes of a frequency described in clause (1) or (2), but not within the preceding 24 months. There must also be a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion of from a mental health professional

stating that the person is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless an ongoing community support services program is provided; or

(4) the person has been committed by a court as a mentally ill person under chapter 253B, or the person's commitment has been stayed or continued.

Sec. 64. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 21, is amended to read:

Subd. 21. [OUTPATIENT SERVICES.] "Outpatient services" means mental health services, excluding day treatment and community support services programs, provided by or under the clinical supervision of a mental health professional to persons with a mental illness who live outside a hospital or residential treatment setting. Outpatient services include clinical activities such as individual, group, and family therapy; individual treatment planning; diagnostic assessments; medication management; and psychological testing.

Sec. 65. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 23, is amended to read:

Subd. 23. [RESIDENTIAL TREATMENT.] "Residential treatment" means a 24-hour-a-day residential program under the clinical supervision of a mental health professional, in a community residential setting other than an acute care hospital or regional treatment center, which must be licensed as a residential treatment facility for mentally ill persons with mental illness under Minnesota Rules, parts 9520.0500 to 9520.0690 for adults, 9545.0900 to 9545.1090 for children, or other rule adopted by the commissioner.

Sec. 66. Minnesota Statutes 1987 Supplement, section 245.462, subdivision 25, is amended to read:

Subd. 25. [CLINICAL SUPERVISION.] "Clinical supervision," when referring to the responsibilities of a mental health professional, means the oversight responsibility of a mental health professional for individual treatment plans, and individual service delivery, and program activities including that provided by the case manager. Clinical supervision may must be accomplished by full or part-time employment of or contracts with mental health professionals. Clinical supervision must be documented by the mental health professional cosigning individual treatment plans and evidence of input into service delivery and program development by entries in the client's record regarding supervisory activities.

Sec. 67. Minnesota Statutes 1987 Supplement, section 245.465, is amended to read:

245.465 [DUTIES OF COUNTY BOARD.]

The county board in each county shall use its share of mental health and community social service act funds allocated by the commissioner according to a biennial local mental health service proposal approved by the commissioner. The county board must:

(1) develop and coordinate a system of affordable and locally available mental health services in accordance with sections 245.466 245.461 to 245.474 245.486;

(2) provide for case management services to persons with serious and persistent mental illness in accordance with ~~section 245.475~~ sections 245.462, subdivisions 3 and 4; 245.471; 245.475; and 245.486;

(3) provide for screening of persons specified in section 245.476 upon admission to a residential treatment facility or acute care hospital inpatient, or informal admission to a regional treatment center; and

(4) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.461 to 245.486.

Sec. 68. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT OF SERVICES.] The county board in each county is responsible for using all available resources to develop and coordinate a system of locally available and affordable mental health services. The county board may provide some or all of the mental health services and activities specified in subdivision 2 directly through a county agency or under contracts with other individuals or agencies. A county or counties may enter into an agreement with a regional treatment center under section 246.57 to enable the county or counties to provide the treatment services in subdivision 2. Services provided through an agreement between a county and a regional treatment center must meet the same requirements as services from other service providers. County boards shall demonstrate their continuous progress toward full implementation of sections 245.461 to 245.486 during the period July 1, 1987 to January 1, 1990. County boards must develop fully each of the treatment services and management activities prescribed by sections 245.461 to 245.486 by January 1, 1990, according to the priorities established in section 245.464 and the local mental health services proposal approved by the commissioner under section 245.478.

Sec. 69. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 2, is amended to read:

Subd. 2. [MENTAL HEALTH SERVICES.] The mental health service system developed by each county board must include the following ~~treatment~~ services:

(1) education and prevention services in accordance with section 245.468;

(2) emergency services in accordance with section 245.469;

(3) outpatient services in accordance with section 245.470;

(4) community support program services in accordance with sections 245.471 and 245.475;

(5) residential treatment services in accordance with section 245.472;

(6) acute care hospital inpatient treatment services in accordance with section 245.473;

(7) regional treatment center inpatient services in accordance with section 245.474; and

(8) screening in accordance with section 245.476; and

(9) case management in accordance with sections 245.462, subdivision 3; 245.471; and 245.475.

Sec. 70. Minnesota Statutes 1987 Supplement, section 245.466, subdivision 5, is amended to read:

Subd. 5. [LOCAL ADVISORY COUNCIL.] The county board, individually or in conjunction with other county boards, shall establish a local mental health advisory council or mental health subcommittee of an existing advisory council. The council's members must reflect a broad range of community interests. They must include at least one consumer, one family member of a person with mental illness, one mental health professional, and one community support services program representative. The local mental health advisory council or mental health subcommittee of an existing advisory council shall meet at least quarterly to review, evaluate, and make recommendations regarding the local mental health system. Annually, the local advisory council or mental health subcommittee of an existing advisory council shall arrange for input from the regional treatment center ~~review board center's mental illness program unit~~ regarding coordination of care between the regional treatment center and community-based services. The

county board shall consider the advice of its local mental health advisory council or mental health subcommittee of an existing advisory council in carrying out its authorities and responsibilities.

Sec. 71. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 4. [REFERRAL FOR CASE MANAGEMENT.] Each provider of emergency services, outpatient treatment, community support services, residential treatment, acute care hospital inpatient treatment, or regional treatment center inpatient treatment must inform each of its clients with serious and persistent mental illness of the availability and potential benefits to the client of case management. If the client consents, the provider must refer the client by notifying the county employee designated by the county board to coordinate case management activities of the client's name and address and by informing the client of whom to contact to request case management. The provider must document compliance with this subdivision in the client's record.

Sec. 72. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 5. [INFORMATION FOR BILLING.] Each provider of outpatient treatment, community support services, emergency services, residential treatment, or acute care hospital inpatient treatment must include the name and home address of each client for whom services are included on a bill submitted to a county, if the client has consented to the release of that information and if the county requests the information. Each provider must attempt to obtain each client's consent to include the client's name and home address on the bill, explaining that the information can only be released with the client's consent, must be used only for purposes of payment and maintaining provider accountability, and must document the attempt in the client's record.

Sec. 73. Minnesota Statutes 1987 Supplement, section 245.467, is amended by adding a subdivision to read:

Subd. 6. [RESTRICTED ACCESS TO DATA.] The county board shall establish procedures to ensure that the names and addresses of persons receiving mental health services are disclosed only to:

(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; and

(2) staff who provide treatment services or case management and their clinical supervisors.

Release of mental health data on individuals submitted under section 245.467, subdivisions 4 and 5, to persons other than those specified in this subdivision, or use of this data for purposes other than those stated in section 245.467, subdivisions 4 and 5, results in civil or criminal liability under the standards in sections 13.08 or 13.09.

Sec. 74. Minnesota Statutes 1987 Supplement, section 245.469, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] The county board shall require that all service providers of emergency services provide immediate direct access to a mental health professionals professional during regular business hours. For evenings, weekends, and holidays, the service may be by direct toll free telephone access to a mental health professional, a mental health practitioner, or a designated person with training in human services who is under the receives clinical supervision of from a mental health professional. Whenever emergency service during nonbusiness hours is provided by anyone other than a mental health professional, a mental health professional must be available for at least telephone consultation within 30 minutes.

Sec. 75. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 2, is amended to read:

Subd. 2. [CASE MANAGEMENT ACTIVITIES.] (a) By January 1, 1989, the county board shall develop case management activities must be developed as part of the community support program available to for all persons with serious and persistent mental illness residing in the county who request or consent to the services. Staffing ratios must be sufficient to serve the needs of the clients. The case manager must at a minimum qualify as a mental health practitioner meet the requirements in section 245.462, subdivision 4.

(b) All providers of case management activities must develop an individual community support plan. The individual community support plan must state for each of their clients:

- (1) the goals of each service;
- (2) the activities for accomplishing each goal;
- (3) a schedule for each activity; and
- (4) the frequency of face-to-face client contacts, as appropriate to client need and the implementation of the community support plan.

The case manager must develop an individual community support

plan must incorporate for each client that incorporates the client's individual treatment plan. The individual treatment plan may not be a substitute for the development of an individual community support plan. The individual community support plan must be developed within 30 days of client intake and reviewed every 90 days after it is developed. The case manager is responsible for developing the individual community support plan based on a diagnostic assessment and for implementing and monitoring the delivery of services according to the individual community support plan. To the extent possible, the person with serious and persistent mental illness, the person's family, advocates, service providers, and significant others must be involved in all phases of development and implementation of the individual community support plan.

(c) The client's individual community support plan must state:

(1) the goals of each service;

(2) the activities for accomplishing each goal;

(3) a schedule for each activity; and

(4) the frequency of face-to-face contacts by the case manager, as appropriate to client need and the implementation of the community support plan.

(d) The county board must establish procedures that ensure ongoing contact and coordination between the case manager and the community support program as well as other mental health services.

Sec. 76. Minnesota Statutes 1987 Supplement, section 245.471, subdivision 3, is amended to read:

Subd. 3. [DAY TREATMENT ACTIVITIES SERVICES PROVIDED.] (a) By July 1, 1989, day treatment activities services must be developed as a part of the community support program available to persons with serious and persistent mental illness residing in the county. Day treatment services must be available to persons with serious and persistent mental illness residing in the county as part of the community support program of each county. Clients may be required to pay a fee. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide family and community support;

(3) prevent placement in settings that are more intensive, costly, or restrictive than necessary and appropriate to meet client need; and

(4) establish fee schedules approved by the county board that are based on a client's ability to pay.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) an alternative plan of care exists through the county's community support program for clients who would otherwise need day treatment services;

(2) ~~that~~ day treatment, if included, would be duplicative of other components of the community support program; and

(3) ~~that~~ county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Sec. 77. Minnesota Statutes 1987 Supplement, section 245.472, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional. Persons employed in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, in the capacity of program director as of July 1, 1987, in accordance with Minnesota Rules, parts 9520.0500 to 9520.0690, may be allowed to continue providing clinical supervision within a facility for a period of four years beginning July 1, 1987, provided they continue to be employed as a program director in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.

Sec. 78. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 1, is amended to read:

Subdivision 1. [CLIENT ELIGIBILITY CASE MANAGEMENT.] By January 1, 1989, the county board shall provide case management and other appropriate community support services to all persons each person with serious and persistent mental illness who requests services or is referred by a provider under section 245.467, subdivision 4, and to each person for whom the court appoints a case manager. Case management services provided to people with serious and persistent mental illness eligible for medical assistance must be billed to the medical assistance program under section 256B.02, subdivision 8.

Sec. 79. Minnesota Statutes 1987 Supplement, section 245.475, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF CASE MANAGER NOTIFICATION OF CASE MANAGEMENT ELIGIBILITY.] The county board

shall designate a notify the client of the person's potential eligibility for case manager management services within five working days after receiving an application for community support services or immediately after authorizing payment for residential, acute care hospital inpatient, or regional treatment center services under section 245.476 a request from an individual or a referral from a provider under section 245.467, subdivision 4.

The county board shall send a written notice to the applicant client and the applicant's client's representative, if any, that identifies the designated case manager management providers.

Sec. 80. Minnesota Statutes 1987 Supplement, section 245.476, subdivision 1, is amended to read:

Subdivision 1. [SCREENING REQUIRED.] By No later than January 1, 1989 1991, the county board shall screen all persons before they may be admitted for treatment of mental illness to a residential treatment facility, an acute care hospital, or informally admitted to a regional treatment center if public funds are used to pay for the services. Screening prior to admission must occur within ten days. If a person is admitted for treatment of mental illness on an emergency basis to a residential facility or acute care hospital or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, screening must occur within five days of the admission. Persons must be screened within ten days before or within five days after admission to ensure that:

- (1) an admission is necessary,
- (2) the length of stay is as short as possible consistent with individual client need, and
- (3) a the case manager, if assigned, is immediately assigned to individuals with serious and persistent mental illness and developing an individual community support plan is developed.

The screening process and placement decision must be documented in the client's record.

An alternate review process may be approved by the commissioner if the county board demonstrates that an alternate review process has been established by the county board and the times of review, persons responsible for the review, and review criteria are comparable to the standards specified in clauses (1) to (3).

Sec. 81. Minnesota Statutes 1987 Supplement, section 245.477, is amended to read:

245.477 [APPEALS.]

Any person who applies for requests mental health services under sections 245.461 to 245.486 must be advised of services available and the right to appeal at the time of application the request and each time the community service plan is reviewed. Any person whose application request for mental health services under sections 245.468 245.461 to 245.476 245.486 is denied, not acted upon with reasonable promptness, or whose services are suspended, reduced, or terminated may contest that action before the state agency as specified in section 256.045. The commissioner shall monitor the nature and frequency of administrative appeals under this section.

Sec. 82. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 1, is amended to read:

Subdivision 1. [TIME PERIOD.] The first local mental health proposal period is from July 1, 1988, to December 31, 1989. The county board shall submit its first proposal to the commissioner by January 1, 1988. Subsequent proposals must be on the same two-year cycle as community social service plans and must satisfy the requirement of the community social service plan for the mental illness target population as required by section 256E.09 if the proposal complies with sections 245.461 to 245.486. The proposal must be made available upon request to all residents of the county at the same time it is submitted to the commissioner.

Sec. 83. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 2, is amended to read:

Subd. 2. [PROPOSAL CONTENT.] The local mental health proposal must include:

(1) the local mental health advisory council's or mental health subcommittee of an existing advisory council's report on unmet needs and any other needs assessment used by the county board in preparing the local mental health proposal;

(2) a description of the local mental health advisory council's or the mental health subcommittee of an existing advisory council's involvement in preparing the local mental health proposal and methods used by the county board to obtain participation of citizens, mental health professionals, and providers in development of the local mental health proposal;

(3) information for the preceding year, including the actual number of clients who received each of the mental health services listed in sections 245.468 to 245.476, and actual expenditures and revenues for each mental health service;

(4) for the first proposal period only, information for the year during which the proposal is being prepared:

(i) a description of the current mental health system identifying each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including a listing of the professional qualifications of the staff involved in service delivery, that is either the sole provider of one of the treatment mental health services or management activities described in sections 245.468 to 245.476 or that provides over \$10,000 of mental health services per year for this county;

(iii) a description of how the mental health services in the county are unified and coordinated;

(iv) the estimated number of clients receiving each mental health service;

(v) estimated expenditures ~~and revenues~~ for each mental health service; and

(5) the following information describing how the county board intends to meet the requirements of sections 245.461 to 245.486 during the proposal period:

(i) specific objectives and outcome goals for each mental health service listed in sections 245.468 to 245.476;

(ii) a description of each service provider, including county agencies, contractors, and subcontractors, that is expected to either be the sole provider of one of the treatment mental health services or management activities described in sections 245.468 to 245.476 or to provide over \$10,000 of mental health services per year, including a listing of the professional qualifications of the staff involved in service delivery for this county;

(iii) a description of how the mental health services in the county will be unified and coordinated;

(iv) the estimated number of clients who will receive each mental health service; and

(v) estimated expenditures ~~and revenues~~ for each mental health service and revenues for the entire proposal.

Sec. 84. Minnesota Statutes 1987 Supplement, section 245.478, subdivision 9, is amended to read:

Subd. 9. [PLAN AMENDMENT.] If the county board finds it necessary to make significant changes in the approved local proposal, it must present the proposed changes to the commissioner for

approval at least 60 30 days before the changes take effect. "Significant changes" means:

(1) the county board proposes to provide a mental health service through a provider other than the provider listed for that service in the approved local proposal;

(2) the county board expects the total annual expenditures for any single mental health service to vary more than ten percent or \$5,000, whichever is greater, from the amount in the approved local proposal;

(3) the county board expects a combination of changes in expenditures per mental health service to exceed more than ten percent of the total mental health services expenditures; or

(4) the county board proposes a major change in the specific objectives and outcome goals listed in the approved local proposal.

Sec. 85. Minnesota Statutes 1987 Supplement, section 245.479, is amended to read:

245.479 [COUNTY OF FINANCIAL RESPONSIBILITY.]

For purposes of ~~section 245.476~~ sections 245.461 to 245.486, the county of financial responsibility is the same as that for community social services determined under section 256E.08, subdivision 7 256G.02, subdivision 4. Disputes between counties regarding financial responsibility must be resolved by the commissioner in accordance with ~~section 256D.18, subdivision 4~~ 256G.09.

Sec. 86. Minnesota Statutes 1987 Supplement, section 245.482, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REPORTS.] The commissioner shall develop a unified format for a ~~semiannual~~ an annual program report that will include information that the commissioner determines necessary to carry out sections 245.461 to 245.486 and section 256E.10. The county board shall submit a completed program report in the required format ~~no later than 75 days after each six-month period by~~ March 15 of each year.

Sec. 87. Minnesota Statutes 1987 Supplement, section 245.696, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES.] In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) review and evaluate local programs and the performance of administrative and mental health personnel and make recommendations to county boards and program administrators;

(2) provide consultative staff service to communities and advocacy groups to assist in ascertaining local needs and in planning and establishing community mental health programs;

(3) employ qualified personnel to implement this chapter;

(4) as part of the biennial budget process, report to the legislature on staff use and staff performance, including in the report a description of duties performed by each person in the mental health division;

(5) adopt rules for minimum standards in community mental health services as directed by the legislature;

(6) cooperate with the commissioners of health and jobs and training to coordinate services and programs for people with mental illness;

(7) convene meetings with the commissioners of corrections, health, education, and commerce at least four times each year for the purpose of coordinating services and programs for children with mental illness and children with emotional or behavioral disorders;

(8) evaluate the needs of people with mental illness as they relate to assistance payments, medical benefits, nursing home care, and other state and federally funded services;

~~(8)~~ (9) provide data and other information, as requested, to the advisory council on mental health;

~~(9)~~ (10) develop and maintain a data collection system to provide information on the prevalence of mental illness, the need for specific mental health services and other services needed by people with mental illness, funding sources for those services, and the extent to which state and local areas are meeting the need for services;

~~(10)~~ (11) apply for grants and develop pilot programs to test and demonstrate new methods of assessing mental health needs and delivering mental health services;

~~(11)~~ (12) study alternative reimbursement systems and make waiver requests that are deemed necessary by the commissioner;

~~(12)~~ (13) provide technical assistance to county boards to improve fiscal management and accountability and quality of mental health services, and consult regularly with county boards, public and

private mental health agencies, and client advocacy organizations for purposes of implementing this chapter;

~~(13)~~ (14) promote coordination between the mental health system and other human service systems in the planning, funding, and delivery of services; entering into cooperative agreements with other state and local agencies for that purpose as deemed necessary by the commissioner;

(14) (15) conduct research regarding the relative effectiveness of mental health treatment methods as the commissioner deems appropriate, and for this purpose, enter treatment facilities, observe clients, and review records in a manner consistent with the Minnesota government data practices act, chapter 13; and

~~(15)~~ (16) enter into contracts and promulgate rules the commissioner deems necessary to carry out the purposes of this chapter.

Sec. 88. Minnesota Statutes 1987 Supplement, section 245.697, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The state advisory council on mental health shall:

(1) advise the governor, the legislature, and heads of state departments and agencies about policy, programs, and services affecting people with mental illness;

(2) advise the commissioner of human services on all phases of the development of mental health aspects of the biennial budget;

(3) advise the governor and the legislature about the development of innovative mechanisms for providing and financing services to people with mental illness;

(4) encourage state departments and other agencies to conduct needed research in the field of mental health;

(5) review recommendations of the subcommittee on children's mental health;

(6) educate the public about mental illness and the needs and potential of people with mental illness; and

~~(6)~~ (7) review and comment on all grants dealing with mental health and on the development and implementation of state and local mental health plans.

Sec. 89. Minnesota Statutes 1987 Supplement, section 245.697, is amended by adding a subdivision to read:

Subd. 2a. [SUBCOMMITTEE ON CHILDREN'S MENTAL HEALTH.] The state advisory council on mental health (the "advisory council") must have a subcommittee on children's mental health. The subcommittee must make recommendations to the advisory council on policies, laws, regulations, and services relating to children's mental health. Members of the subcommittee must include:

(1) the commissioners or designees of the commissioners of the departments of human services, health, education, and corrections;

(2) the commissioner of commerce or a designee of the commissioner who is knowledgeable about medical insurance issues;

(3) at least one representative of an advocacy group for children with mental illness;

(4) providers of children's mental health services, including at least one provider of services to preadolescent children, one provider of services to adolescents, and one hospital-based provider;

(5) parents of children who have mental illness or emotional or behavioral disorders;

(6) a present or former consumer of adolescent mental health services;

(7) educators experienced in working with emotionally disturbed children;

(8) people knowledgeable about the needs of emotionally disturbed children of minority races and cultures;

(9) people experienced in working with emotionally disturbed children who have committed status offenses;

(10) members of the advisory council; and

(11) county commissioners and social services agency representatives.

Subcommittee members described in clauses (3) to (11) shall be appointed by the chair of the advisory council through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair, who shall be elected by the subcommittee

from among its members. The subcommittee expires with the expiration of the advisory council.

Sec. 90. [245.698] [CHILDREN'S MENTAL HEALTH SERVICE SYSTEM.]

The commissioner of human services shall create and ensure a unified, accountable, comprehensive children's mental health service system that:

- (a) identifies children who are eligible for mental health services;
- (b) makes preventive services available to a wide range of children, including those who are not eligible for more intensive services;
- (c) assures access to a continuum of services that:
 - (1) educate the community about the mental health needs of children;
 - (2) address the unique physical, emotional, social, and educational needs of children;
 - (3) are coordinated with other social and human services provided to children and their families;
 - (4) are appropriate to the developmental needs of children; and
 - (5) are sensitive to cultural differences and special needs;
- (d) includes early screening and prompt intervention in order to:
 - (1) identify and treat the mental health needs of children in the least restrictive setting appropriate to their needs; and
 - (2) prevent further deterioration;
- (e) provides services to children and their families in the context in which the children live and go to school;
- (f) addresses the unique problems of paying for mental health services for children, including:
 - (1) access to private insurance coverage; and
 - (2) public funding;

(g) to every extent possible, includes children and their families in planning the child's program of mental health services; and

(h) when necessary, assures a smooth transition to the adult services system.

For purposes of this section, "child" means a person under age 18.

The commissioner shall begin implementing the goals and objectives of this section by February 15, 1990, and shall fully implement the goals and objectives by February 15, 1992. By February 15, 1989, the commissioner shall present a report to the legislature outlining recommendations for full implementation. The report must include a timetable for implementing the recommendations and identify additional resources needed for full implementation. The report must be updated annually by February 15 of 1990, 1991, and 1992.

Sec. 91. Minnesota Statutes 1986, section 245.771, is amended by adding a subdivision to read:

Subd. 3. [EMPLOYMENT AND TRAINING PROGRAMS.] The commissioner of human services may contract with the commissioner of the department of jobs and training to implement and supervise employment and training programs for food stamp recipients that are required by federal regulations.

Sec. 92. Minnesota Statutes 1986, section 245.814, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE FOR FOSTER PARENTS HOME PROVIDERS.] The commissioner of human services shall within the appropriation provided purchase and provide insurance to individuals licensed as foster parents home providers to cover their liability for:

(1) injuries or property damage caused or sustained by foster children persons in foster care in their home; and

(2) actions arising out of alienation of affections sustained by the natural parents of a foster child or natural parents or children of a foster adult.

Sec. 93. Minnesota Statutes 1986, section 245.814, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF COVERAGE.] 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 individual foster parents home provider, damage caused intentionally by a child person over 12 years of age, or property damage arising out of business pursuits or the operation of any vehicle, machinery, or equipment.

Sec. 94. Minnesota Statutes 1986, section 245.814, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PROVISIONS.] If the commissioner of human services is unable to obtain insurance through ordinary methods for coverage of foster parents home providers, 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 parents home providers activities as a foster parent home provider while the foster child or adult is in the care, custody, and control of the foster parent home provider 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 or adult 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 home provider or foster child or foster adult.

This coverage is extended as a benefit to foster parents home providers to encourage care of children persons who need out-of-home care. Nothing in this section shall be construed to mean that foster parents home providers are agents or employees of the state nor does the state accept any responsibility for the selection, monitoring, supervision, or control of foster parents home providers which is exclusively the responsibility of the counties which shall

regulate foster parents home providers in the manner set forth in the rules of the commissioner of human services.

Sec. 95. [245.827] [COMMUNITY INITIATIVES FOR CHILDREN.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of human services shall establish a demonstration program of grants for community initiatives for children. The goal of the program is to enlist the resources of a community to promote the healthy physical, educational, and emotional development of children who are living in poverty. Community initiatives for children accomplish the goal by offering support services that enable a family to provide the child with a nurturing home environment. The commissioner shall award grants to nonprofit organizations based on the criteria in subdivision 3.

Subd. 2. [DEFINITION.] "Community initiatives for children" are programs that promote the healthy development of children by increasing the stability of their home environment. They include support services such as child care, parenting education, respite activities for parents, counseling, recreation, and other services families may need to maintain a nurturing environment for their children. Community initiatives for children must be planned by members of the community who are concerned about the future of children.

Subd. 3. [CRITERIA.] In order to qualify for a community initiatives for children grant, a nonprofit organization must:

(1) involve members of the community and use community resources in planning and executing all aspects of the program;

(2) provide a central location that is accessible to low-income families and is available for informal as well as scheduled activities during the day and on evenings and weekends;

(3) provide a wide range of services to families living at or below the poverty level, including but not limited to, quality affordable child care and training in parental skills;

(4) demonstrate that the organization is using and coordinating existing resources of the community;

(5) demonstrate that the organization has applied to private foundations for funding;

(6) ensure that services are focused on development of the whole child; and

(7) have a governing structure that includes consumer families and members of the community.

Subd. 4. [COVERED EXPENSES.] Grants awarded under this section may be used for the capital costs of establishing or improving a program that meets the criteria listed in subdivision 3. Capital costs include land and building acquisition, planning, site preparation, design fees, rehabilitation, construction, and equipment costs.

Subd. 5. [GRANT AWARD.] The commissioner shall award two demonstration grants under this section. The amount of the grant may not exceed the lesser of \$200,000 or 50 percent of capital costs incurred within a two-year period.

Sec. 96. Minnesota Statutes 1986, section 245.83, is amended to read:

245.83 [CHILD CARE SERVICES; DEFINITIONS.]

Subdivision 1. As used in sections 245.83 to 245.87 ~~245.858~~ the words defined in this section shall have the meanings given them.

Subd. 2. [CHILD CARE SERVICES.] "Child care services" means child care provided in family day care homes, group day care centers, nursery schools, day nurseries, child day care centers, play groups, head start and parent cooperatives, as defined by rules of the commissioner, and in-home child care as defined in the Minnesota plan for social services to families and children.

Subd. 3. [CHILD.] "Child" means any a person 14 12 years of age old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

Subd. 3a. [CHILD CARE.] "Child care" means the care of a child by someone other than a parent or legal guardian outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 3b. [CHILD CARE WORKER.] "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider and a person who has applied for a license as a provider.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 4a. [FACILITY IMPROVEMENT EXPENSES.] "Facility improvement expenses" means building improvements, equipment, toys, and supplies needed to establish, expand, or improve a licensed child care facility.

Subd. 5. [INTERIM FINANCING.] "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes and ~~cooperative~~ child care centers to receive and maintain state licensing, to expand an existing program or to improve program quality and to provide operating funds for a period of six consecutive months following receipt of state licensing by a family day care home, group family day care home, or ~~cooperative~~ child care center. Interim financing may not exceed a period of 18 months.

Subd. 6. [RESOURCE AND REFERRAL PROGRAM.] "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Subd. 7. [STAFF TRAINING EXPENSES.] "Staff training expenses" include the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker is engaged in a training program.

Subd. 8. [TRAINING PROGRAM.] "Training program" means child development courses offered by an accredited post-secondary institution; or similar training approved by a county board or the department of human services. To qualify as a training program under this section, a course of study must teach specific skills that a child care worker needs to meet licensing requirements.

Sec. 97. [245.833] [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) survey and report on all components of the child care system including, but not limited to: availability of licensed child care slots; numbers of children in various kinds of child care settings; staff wages, rate of staff turnover, and qualifications of child care workers; cost of child care by type of service and ages of children; and child care availability through school systems;

(2) study the existing public and private funding sources for child care services and the development of child care services, including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents. The study shall determine the extent to which:

(i) individual funding sources meet existing needs and what level of funding comes from each source;

(ii) the need for subsidized child care services for low-income parents is being met;

(iii) present funding mechanisms are efficient or can be made more efficient;

(iv) alternative or improved methods may encourage private funding for child care services;

(v) the funding level has an impact on availability of child care facilities; and

(vi) child care reimbursement rates are meeting actual costs for quality child care.

The commissioner shall report the results of the study, together with any proposed legislation to implement study recommendations, to the legislature by January 1, 1990;

(3) survey and report on the extent to which existing child care services fulfill the need for child care, giving particular attention to the need for part-time care and for care of infants, sick children, children with special needs, and low-income children;

(4) by September 1, 1990, and by September 1 of each even-numbered year thereafter, survey and report to the legislature on clauses (1) and (3);

(5) administer the child care fund, including the sliding fee program, authorized under section 268.91; and

(6) monitor the child care resource and referral programs established under section 268.911.

Sec. 98. [245.836] [GRANTS FOR CHILD CARE SERVICES.]

Subdivision 1. [GRANTS ESTABLISHED.] The commissioner shall award grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. The commissioner shall develop a grant application form, distribute forms to regional grant review committees established under subdivision 2, inform county social service agencies about the availability of child care services grants, and set a date by which applications must be received by the commissioner.

Subd. 2. [DISTRIBUTION OF FUNDS.] The commissioner shall distribute money appropriated for child care services among the 12 development regions designated by the governor under section 462.385, in proportion to the ratio of the number of children to the number of licensed child care slots available in each region. Out of the amount allocated for each development region, the commissioner shall award grants based on the advice of the regional grant review committee. In addition, the commissioner shall:

(1) award no less than 45 percent of the money to day care facilities for the purpose of facility improvement expenses or interim financing and no less than 45 percent to child care workers for staff training expenses; and

(2) redistribute funds not awarded by January 1, 1989, without regard to the distribution formula in this subdivision.

Subd. 3. [REGIONAL GRANT REVIEW ADVISORY TASK FORCES.] In each development region, the commissioner shall appoint a person to chair a child care grant review advisory task force. In each development region with a regional development commission, except for region 11, the commission shall appoint a child care grant review advisory task force under section 462.394. In region 11 the commissioner shall appoint one or more advisory task forces to review grant applications. In each region with no regional development commission, each county board shall designate a representative to a regional child care grant review advisory task force. Members appointed under this subdivision must be parents of children in child care, providers of child care, or citizens with a demonstrated interest in child care issues. Regional grant review advisory task forces shall review and make recommendations to the commissioner on applications for grants under this section. Task force members may be reimbursed for expenses in accordance with section 15.059, subdivision 6, for up to six meetings per year. The advisory task force shall not expire but shall otherwise be governed by section 15.059. In regions where no regional development commission exists, the commissioner may designate a public or private entity to act as fiscal agent. The commissioner may pay the expenses of the child care grant review advisory task force directly or through an agent. Regional task forces shall complete their reviews and forward their recommendations to the commissioner by the date set under subdivision 1.

Subd. 4. [FUNDING PRIORITIES; FACILITY IMPROVEMENT AND INTERIM FINANCING.] In evaluating applications for funding and making recommendations to the commissioner, the regional grant review committees shall give priority to:

(1) new programs or projects, or the expansion or enrichment of existing programs or projects;

(2) programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

(3) programs and projects that serve sick children, infants, children with special needs, and children from low-income families; and

(4) unlicensed providers who wish to become licensed.

Subd. 5. [FUNDING PRIORITIES; TRAINING GRANTS.] In evaluating applications for training grants and making recommendations to the commissioner, the regional grant review committees shall give priority to:

(1) applicants who will be working in facilities caring for sick children, infants, children with special needs, and children from low-income families;

(2) applicants who will be working in areas that are now unserved or underserved; and

(3) unlicensed providers who wish to become licensed.

Sec. 99. Minnesota Statutes 1986, section 245.84, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county board is authorized to provide child care services, to make grants from the community social service fund, special tax revenue, its general fund, or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87.

The board is further authorized to make grants to or contract with any municipality, ~~incorporated~~ licensed child care facility or resource and referral program, or corporation or combination thereof for any of the following purposes:

(a) For creating new licensed day care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling. In awarding grants for training, counties must give priority to child care workers caring

for infants, toddlers, sick children, children in low-income families, and children with special needs;

(c) For supportive child development services including, but not limited to, in-service training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(e) For interim financing; and

(f) For carrying out the resource and referral program services identified in section 268.911, subdivision 3.

Sec. 100. [245.852] [CHILD CARE INFORMATION NUMBER.]

By January 1, 1989, the council on children, youth, and families shall study and report to the legislature on the need for and the feasibility of a toll-free number to provide information and technical assistance to parents, child care providers, and potential child care providers. The study shall include an assessment of need, cost, and potential impact.

Sec. 101. [245.856] [INTERAGENCY ADVISORY COMMITTEE ON CHILD CARE.]

Subdivision 1. [MEMBERSHIP.] By July 1, 1988, the director of the state planning agency shall convene and chair an interagency advisory committee on child care. Members of the committee, in addition to the director, are the commissioners, or a designee of the commissioner, of each of the following agencies: health, human services, jobs and training, public safety, and education. The purpose of the committee is to improve the quality and quantity of child care in the state.

Subd. 2. [DUTIES.] The committee shall advise its member agencies on matters related to child care policy and planning. Specifically, the committee shall:

(1) develop a consistent policy on issues related to child care;

(2) advise the member agencies on implementing policies and developing rules that are consistent with the committee's policy on child care;

(3) monitor and advise on state efforts to increase the supply and improve the quality of child care facilities and options; and

(4) perform other advisory tasks related to improving child care options throughout the state.

Subd. 3. [MEETINGS.] The committee shall meet at least quarterly, and as often as necessary, to perform its duties.

Sec. 102. Minnesota Statutes 1987 Supplement, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [EXEMPTION.] A facility in a rural area that has been licensed as a family or group family day care under Minnesota Rules, parts 9502.0315 to 9502.0445 is exempt from the requirement that family and group family day care must be provided in a residence that is occupied as a home.

Sec. 103. Minnesota Statutes 1986, section 246.023, subdivision 1, is amended to read:

Subdivision 1. [LEGISLATIVE POLICY.] It is recognized that closure and consolidation of state hospitals regional treatment centers have negative economic effects upon public employees and communities. It is the policy of the state that deinstitutionalization policies shall be carried out in a manner that ensures fair and equitable arrangements to protect the interests of employees and communities affected by deinstitutionalization of state hospitals.

Sec. 104. [246.024] [FARIBAULT REGIONAL CENTER.]

Subdivision 1. [STATEMENT OF NEED.] The legislature recognizes the need to provide services to disabled people throughout the state. The legislature further recognizes that the staff at Faribault regional center are highly trained in a variety of disciplines, and that the state's responsibility to ensure quality health care and educational services can be enhanced by using the Faribault regional center for new and expanded services consistent with the overall health care policy for Minnesota.

Subd. 2. [TASK FORCE.] The director of the state planning agency shall appoint a 13-member task force to develop a plan to expand the use of the Faribault regional center. The task force shall include four community representatives and one representative from each of the following entities: Faribault regional center, Faribault Technical Institute, Faribault public schools, Academies for the Deaf and Blind, Wilson Center, Rice county, city of Faribault, Rice County District No. 1 Hospital, and the department of human services.

Subd. 3. [DUTIES OF DIRECTOR.] The director of the state planning agency shall provide a grant for a Faribault community task force to develop a plan for the future use of Faribault regional

center. The plan must assess the feasibility of providing educational services, nonresidential services, and care to a number of populations including, but not limited to, adolescents, veterans, and people who have developmental disabilities, chemical dependency, mental illness, or communicable diseases.

Subd. 4. [REPORT.] The Faribault community task force must report the plan to the chairs of the health and human services committees of the house and senate by November 1, 1988. The report must include a list of recommended services to be provided at Faribault regional center and must evaluate each recommendation.

Sec. 105. Minnesota Statutes 1986, section 248.07, subdivision 7, is amended to read:

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the state university and community college systems and by any department or agency of the state of Minnesota except the department of natural resources properties operated directly by the division of state parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include soft drinks, (except 3.2 beer), milk, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner ~~may~~ shall waive this authority to displace any present private individual concessionaire operating under a contract with a specific renewal or termination date, until such renewal or termination date, in any state-owned or rented building or property. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Sec. 106. Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8, is amended to read:

Subd. 8. [USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.] The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All interest earned on money accrued in the fund must be credited to

the fund by the state treasurer. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner to use the money available in the revolving fund which originated as operational charges to individuals licensed under this subdivision for the establishment, operation, and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) ~~purchase of initial and replacement stock of supplies and merchandise;~~ (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) ~~purchase of general liability insurance as deemed advisable for any vending stand by the commissioner;~~ (5) (3) reimbursement under section 15.059 to individual blind vending operators for reasonable ~~travel and maintenance~~ expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law; (6) and (4) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

Money originally deposited as merchandise and supplies repayments by individuals licensed under this subdivision may be expended for initial and replacement stocks of supplies and merchandise. Moneys originally deposited from vending income on federal property shall be expended consistent with federal law.

All other deposits may be used for the purchase of general liability insurance or any other expense related to the operation and supervision of vending stands.

The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Sec. 107. Minnesota Statutes 1986, section 248.07, subdivision 12, is amended to read:

Subd. 12. [REIMBURSEMENT OUT OF STATE DISTRIBUTION

OF BRAILLE AND SPECIAL MATERIALS.] The commissioner shall obtain reimbursement from other states for the estimated cost of providing radio signals, programming, and radio receivers for the blind and for production and handling of Braille books, audio tapes, and related services for the blind distributed by the department of jobs and training to users in such other states and may contract with the appropriate authorities of such states to effect such reimbursement. All money received hereunder shall be paid to the state treasurer and placed in the general fund subject to section 268.0121, subdivision 5.

Sec. 108. [252.035] [STATE-OPERATED, COMMUNITY-BASED RESIDENTIAL PROGRAMS.]

Subdivision 1. [RESIDENTIAL PROGRAMS ESTABLISHED.] The commissioner may establish a system of noninstitutional, state-operated, community-based residential services for persons with mental retardation or related conditions. For purposes of this section, "state-operated, community-based residential facility" means a residential program administered by the state to provide treatment and habilitation in noninstitutional community settings to persons with mental retardation or related conditions. Employees of the facilities must be state employees under chapters 43A and 179A. The establishment of state-operated, community-based residential facilities must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with mental retardation and related conditions. Services may include, but are not limited to, community group homes, foster care, supportive living arrangements, and respite care arrangements. The commissioner may operate the pilot projects established under Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 6, and may, within the limits of available appropriations, establish additional state-operated, community-based services for regional treatment center residents who are persons with mental retardation. Day program services for clients living in state-operated, community-based residential facilities must not be provided by a regional treatment center or a state-operated, community-based program.

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase or lease suitable buildings for state-operated, community-based residential facilities. Facilities must be homelike and adaptable to the needs of persons with mental retardation or related conditions.

Subd. 3. [ALTERNATIVE FUNDING MECHANISMS.] To the extent possible, the commissioner may amend the medical assistance home and community-based waiver and, as appropriate,

develop special waiver procedures for targeting services to persons currently in state regional centers.

Subd. 4. [COUNTIES.] State-operated, community-based residential facilities may be developed in conjunction with existing county responsibilities and authorities for persons with mental retardation. Assessment, placement, screening, case management responsibilities, and determination of need procedures must be consistent with county responsibilities established under law and rule. Counties may enter into shared service agreements with state-operated programs.

Sec. 109. [252.045] [REGIONAL CENTER AND COMMUNITY-BASED FACILITY EMPLOYEES.]

In accordance with section 43A.21, the commissioner shall develop procedures to assure that:

(1) there are workers employed at state regional centers and nursing homes who are skilled in the treatment of persons with severe and profound mental retardation or related conditions, behavioral problems, and medical needs, to facilitate adjustment to community living;

(2) suitable training programs exist for regional treatment center and state-operated, community-based residential facility staff; and

(3) state employees under the jurisdiction of the commissioner who are included in a position reduction plan have the option of transferring to a community-based program; to a similar, comparable classification in another regional center setting; or to a position in another state agency.

Sec. 110. Minnesota Statutes 1986, section 252.291, subdivision 1, is amended to read:

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of human services shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for persons with mental retardation or related conditions or for an increase in the licensed capacity of an existing facility except as provided in this subdivision and subdivision 2. ~~In no event shall~~ The total number of certified intermediate care beds for persons with mental retardation or related conditions in community facilities and state hospitals shall not exceed 7,500 beds as of July 1, 1983, and 7,000 beds as of July 1, 1986 except that, to the extent that federal authorities disapprove any applications of the commissioner for home and community-based waivers under United States Code, title 42, section 1396n, as

amended through December 31, 1987, the commissioner may authorize new intermediate care beds, as necessary, to serve persons with mental retardation or related conditions who would otherwise have been served under a proposed waiver. "Certified bed" means an intermediate care bed for persons with mental retardation or related conditions certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982 1987.

Sec. 111. Minnesota Statutes 1986, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] The commissioner of human services in coordination with the commissioner of health may approve a new newly constructed or newly established publicly or privately operated community intermediate care facility for six or fewer persons with mental retardation or related conditions only in when the following circumstances exist:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b) approved by the commissioner of human services;

(b) when the facility is necessary to serve the needs of identifiable identified persons with mental retardation or related conditions who are seriously behaviorally disordered or who are seriously physically or sensorily impaired. At least 50 percent of the capacity of the facility must be used for persons coming from regional treatment centers; or and

(c) to license beds in new facilities where need was determined by the commissioner prior to June 10, 1983 when the commissioner determines that the need for increased service capacity cannot be met by the use of alternative resources or the modification of existing facilities.

In the biennium ending on June 30, 1989, the commissioner shall not authorize or approve more than 150 newly constructed or newly established intermediate care beds for persons with mental retardation or related conditions under this subdivision.

One-half of the first 70 newly constructed or newly established intermediate care beds for persons with mental retardation or related conditions approved by the commissioner under this subdivision in the biennium ending June 30, 1989, shall be state-operated community intermediate care beds for persons with mental retardation or related conditions. Funds appropriated to operate and expand state-operated community-based programs pilot projects pursuant to Laws 1987, chapter 403, article 1, section 2, subdivision

9, may be used to establish state-operated community intermediate care beds for persons with mental retardation or related conditions.

Sec. 112. Minnesota Statutes 1987 Supplement, section 252.291, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER OF HUMAN SERVICES.] The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, ~~1982~~ 1987, to assure that appropriate services are provided in the least restrictive setting;

(b) define services, including respite care, that may be needed in meeting individual service plan objectives;

(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with mental retardation or related conditions;

(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, ~~1982~~ 1987; and

(e) develop a state plan for the delivery and funding of residential day and support services to persons with mental retardation or related conditions in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

(1) county by county maximum intermediate care bed utilization quotas;

(2) plans for the development of the number and types of services alternative to intermediate care beds;

(3) procedures for the administration and management of the plan;

(4) procedures for the evaluation of the implementation of the plan; and

(5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Sec. 113. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 5, is amended to read:

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner by November 1, 1987, and at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per unit fixed costs. Recommended increases in payment rates for vendors whose approved payment rates are 15 or more than 15 percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3. If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Sec. 114. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. A variance can be utilized for costs associated with compliance with state administrative rules, compliance with court orders, increased insurance costs, start-up and

conversion costs for supported employment, direct service staff salaries, and transportation. The county board shall review all vendors' payment rates that are 20 15 or more than 15 percent lower than the average rates for the regional development commission district to which the county belongs statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. This review must occur prior to November 1, 1987. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates to change the number of direct service staff or the level of qualifications of the staff.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards governing minimum staffing ratios and staff qualifications.

(4) The vendor documents that the change in staff numbers or qualifications changes cannot be achieved by reallocating current staff or by reallocating financial resources to provide or purchase the necessary services.

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, and how the county will monitor the use of funds by the vendor to make necessary changes in services. Allowable costs are limited to salaries, related fringe benefits, and payroll taxes.

(7) The county board's recommended payment rates do not exceed 125 percent of the average current calendar year's statewide median payment rates in the regional development commission district in which the vendor is located.

Sec. 115. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:

- (1) revise administrative procedures as necessary;
- (2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;
- (3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and
- (4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.

Sec. 116. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system under section 252.47. The pilot project may establish training and demonstration sites. The pilot payment rate system must include actual transfers of funds, not simulated transfers. The pilot payment rate system may involve up to four counties and four vendors. Participation in the pilot project is voluntary. Selection of participants by the commissioner is based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Implementation of the pilot payment rate system is contingent upon federal approval and systems feasibility.

Sec. 117. Minnesota Statutes 1987 Supplement, section 253B.03, subdivision 6, is amended to read:

Subd. 6. [CONSENT FOR MEDICAL PROCEDURE.] A patient has the right to prior consent to any medical or surgical treatment, other than the treatment of mental illness or chemical dependency. A patient with mental retardation or the patient's guardian or conservator has the right to give or withhold consent before:

- (1) the implementation of any aversive or deprivation procedure except for emergency procedures permitted in rules of the commissioner adopted under section 245.825; or
- (2) the administration of psychotropic medication.

The following procedures shall be used to obtain consent for any treatment necessary to preserve the life or health of any committed patient:

(a) The written, informed consent of a competent adult patient for the treatment is sufficient.

(b) If the patient is subject to guardianship or conservatorship which includes the provision of medical care, the written, informed consent of the guardian or conservator for the treatment is sufficient.

(c) If the head of the treatment facility determines that the patient is not competent to consent to the treatment and the patient has not been adjudicated incompetent, written, informed consent for the surgery or medical treatment shall be obtained from the nearest proper relative. For this purpose, the following persons are proper relatives, in the order listed: the patient's spouse, parent, adult child, or adult sibling. If the nearest proper relatives cannot be located or refuse to consent to the procedure, the head of the treatment facility or an interested person may petition the committing court for approval for the treatment or may petition ~~an~~ appropriate a court of competent jurisdiction for the appointment of a guardian or conservator. The determination that the patient is not competent, and the reasons for the determination, shall be documented in the patient's clinical record.

(d) Consent to treatment of any minor patient shall be secured in accordance with sections 144.341 to 144.346, except that a minor 16 years of age or older may give valid consent for hospitalization, routine diagnostic evaluation, and emergency or short-term acute care.

(e) In the case of an emergency and when the persons ordinarily

qualified to give consent cannot be located, the head of the treatment facility may give consent.

(f) A competent patient with mental illness or the patient's guardian or conservator has the right to give or withhold consent before the administration of neuroleptic medication.

(g) If the head of a regional treatment center determines that a patient is not competent to consent to neuroleptic medication and the patient has no guardian or conservator and does not object to medication, written, informed consent must be obtained from the nearest proper relative in the order listed in paragraph (c) and from a multidisciplinary treatment review panel composed of persons employed by the treatment facility who are not engaged in the provision of direct care to the patient. The determination that the patient is not competent, and the reasons for the determination, must be documented in the patient's clinical record. If the patient objects or if written, informed consent is not obtained from both the nearest proper relative and the treatment review panel, the head of the treatment facility or an interested person may petition a court of competent jurisdiction for approval of the neuroleptic medication or for the appointment of a guardian or conservator.

No person who consents to treatment pursuant to the provisions of this subdivision shall be civilly or criminally liable for the performance or the manner of performing the treatment. No person shall be liable for performing treatment without consent if written, informed consent was given pursuant to this subdivision. This provision shall not affect any other liability which may result from the manner in which the treatment is performed.

Sec. 118. Minnesota Statutes 1987 Supplement, section 256.015, subdivision 2, is amended to read:

Subd. 2. [PERFECTION; ENFORCEMENT.] The state agency may perfect and enforce its lien under sections 514.69, 514.70, and 514.71, and must file the verified lien statement with the appropriate court administrator in the county of financial responsibility. The verified lien statement must contain the following: the name and address of the person to whom medical care, subsistence, or other payment was furnished; the date of injury; the name and address of vendors furnishing medical care; the dates of the service or payment; the amount claimed to be due for the care or payment; 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 does not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is received by it under subdivision 4, paragraph (c), or one year from

the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received, or (2) the date the person's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.

Sec. 119. [256.016] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of human services must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of human services must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section shall not prevent the operation of public assistance laws that are not the subject of the noncomplying materials.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 120. Minnesota Statutes 1986, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not

exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section "homestead" means the house home owned and occupied by the child, relative or other member of the assistance unit as a dwelling place, together with the land upon which it is situated in an area no greater than two contiguous lots in a platted or laid out city or town or all contiguous acres in rural areas surrounding property which is not separated from the home by intervening property owned by others. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500, except that the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business is excluded, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 121. Minnesota Statutes 1986, section 256.73, subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] (a) An assistance unit with a recent work history or with earned income shall report monthly to the local agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts at less frequent intervals, as specified by the state agency. All income not specifically disregarded by the Social Security Act, the Code of Federal Regulations, or state law and rules, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. The agency shall give written notice to the recipient of its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by

reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. The local agency shall make reasonable efforts to recover overpayments made to persons no longer on assistance in accordance with standards established by the commissioner of human services. The local agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98. The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

(b) An assistance unit required to submit a report on the form designated by the commissioner is considered to have continued its application for assistance effective the date the required report is received by the local agency, if a complete report is received within a calendar month after the month in which assistance was received, except that no assistance shall be paid for the period beginning with the end of the month in which the report was due and ending with the date the report was received by the local agency.

Sec. 122. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] If any amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the local agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

When an overpayment occurs, the local agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's total income after deducting work expenses as allowed under section 256.74, subdivision 1, clauses (3) and (4), equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting

allowable work expenses must equal at least 99 percent of the standard of need. Notwithstanding the preceding sentence, beginning on the date on which the commissioner implements a computerized client eligibility and information system in one or more counties, all local agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. In cases when there is both an overpayment and underpayment, the local agency shall offset one against the other in correcting the payment.

Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

The local agency shall make reasonable efforts to recover overpayments made to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The local agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 123. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

Subd. 9. [APPEAL OF OVERPAYMENT DETERMINATIONS.] The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045.

Sec. 124. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

Subd. 10. [UNDERPAYMENTS.] The local agency shall promptly repay the recipient for any underpayment. The local agency shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

Sec. 125. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:

Subd. 11. [COMPLIANCE WITH FEDERAL LAW AND REGULATION.] None of the provisions in this section shall be implemented to the extent that they violate federal law or regulation.

Sec. 126. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 1b, is amended to read:

Subd. 1b. [WORK INCENTIVE SUBSIDIZED HOUSING PROGRAM.] Within the limit of available appropriations, employed recipients of aid to families with dependent children who meet eligibility requirements established by the commissioner of human services are eligible for a state housing subsidy as an incentive to seek and retain employment. The commissioner of human services shall adopt rules for the work incentive subsidized housing program using eligibility criteria, subsidy amounts, and an administrative system developed jointly by the commissioner of human services and the commissioner of jobs and training. Unless superseded by permanent rules, emergency rules adopted to implement this section remain in effect until July 1, 1989. The rules must:

(1) target recipients who are or are likely to become long-term recipients or who experience substantial barriers to employment;

(2) establish a fixed or sliding scale subsidy amount that will create a significant work incentive yet enable the program to serve the greatest possible number of recipients;

(3) limit the subsidy to persons who become employed while receiving assistance; and

(4) provide for continued subsidy payments for up to one year after termination of assistance to ease the transition from assistance to self-sufficiency.

The program must be coordinated with existing work and training programs and must be designed to maximize savings in the aid to families with dependent children program. The subsidy must be provided as in-kind assistance, and it is not available if it would be considered countable income under state and federal requirements.

Sec. 127. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3b. [MANDATORY SCHOOL ATTENDANCE FOR MINOR PARENTS.] (a) The definitions in this paragraph apply to this subdivision.

(1) "Minor parent" means a recipient of AFDC who is under age 18, and who is the natural or adoptive parent of a child living with the minor parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a

regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) other post-secondary educational program which is approved by the public school or the local agency under subdivision 11.

(b) Notwithstanding section 256.736, subdivision 3, a minor parent must attend school if all of the following apply:

(1) the minor parent has no child living with the parent who is younger than six weeks of age;

(2) transportation services needed to enable the minor parent to attend school are available;

(3) licensed or legal nonlicensed child care services needed to enable the minor parent to attend school are available;

(4) the minor parent has not already graduated from high school and has not received a general educational development (GED) diploma; and

(5) the minor parent does not have good cause for failing to attend school, as provided in paragraph (d).

(c) The minor parent must be enrolled in school and meeting the school's attendance requirements. The minor parent is considered to be attending when the minor parent is enrolled but the school is not in regular session, including during holiday and summer breaks.

(d) The local agency shall determine whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the minor parent is ill or injured seriously enough to prevent the minor parent from attending school.

(2) Good cause exists when the minor parent's child is ill or injured, and the minor parent's presence in the home is required to care for the child.

(3) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the minor parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(4) Good cause exists when there is an interruption in availability of child care services.

(5) Good cause exists when the minor parent has indicated a desire to attend school, but the public school system is not providing for the minor parent's education and alternative programs are not available.

(6) Good cause exists when the school does not cooperate with the local agency in providing verification of the minor parent's education or attendance.

(7) Good cause exists when the minor parent or the minor parent's child has a medical appointment, an appointment with the local welfare agency, or is required to appear in court during the minor parent's normal school hours, or any other obligation consistent with the case management contract.

(8) For the minor parent of a child between six and twelve weeks of age, good cause exists when child care is not available on the premises of the school, or a medical doctor certifies that it would be better for the health of either the parent or the child for the parent to remain at home with the child for a longer period of time.

(e) If the school notifies the local agency that the minor parent is not enrolled or is not meeting the school's attendance requirements, and the local agency determines that the minor parent does not have good cause, the local agency shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.

(f) A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10.

(g) When a minor parent has failed to attend school and does not have good cause, the local agency shall refer the minor parent to social services for services, as provided in section 257.33.

(h) No less often than quarterly, the local agency must verify that the minor parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a minor parent is subject to this subdivision, the school must furnish verification of school enrollment and attendance to the local agency.

Sec. 128. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3c. [MINOR PARENTS NOT LIVING WITH RELATIVES.]

(a) This subdivision applies to a minor parent who is not living with a parent or other adult relative, and who is not living in a group or foster home licensed by the commissioner.

(b) For purposes of this subdivision, the following terms shall have the meanings given them:

(1) "Minor parent" means an applicant for or recipient of AFDC who is under age 18, and who is the natural or adoptive parent of a child living with the minor parent.

(2) "Other adult relative" means a person who qualifies to be an eligible relative caretaker for AFDC, as specified in federal regulations.

(c) The agency shall determine, for each minor parent who applies for or receives AFDC, whether this section applies. For a minor parent to whom this section applies, the local agency shall refer the minor parent to its social services unit within 30 days of the date the application for assistance is approved for development of a social service plan as required in section 257.33. The agency shall notify the minor parent of the referral to social services, and that cooperation in developing and participating in a social service plan is required in order for AFDC eligibility to continue.

(d) In addition to meeting the requirements of section 257.33, the social service plan may, based upon the social service unit's evaluation of the minor caretaker's needs and parenting abilities, and the health, safety, and parenting needs of the minor caretaker's child, require the minor caretaker to live in a group or foster home or participate in available programs which teach skills in parenting or independent living.

(e) If the minor parent fails to cooperate in developing or participating in the social service plan, the social services unit shall notify the income maintenance unit of the local agency, which shall then notify the minor parent of the determination and that the sanctions in subdivision 4 will be applied.

Sec. 129. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay 10 percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; and

(4) Provide that when it has been certified by the county board that a caretaker or child required to participate in an employment and training program has been found by the employment and training service provider to have refused without good cause to participate in appropriate employment and training services or to have refused without good cause to accept a bona fide offer of public or other employment, the county board shall provide that the county board shall impose the sanctions in clause (5) or (6) when the county board:

(a) is notified that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept a bona fide offer of public or other employment;

(b) determines that a minor parent who is required to attend school under subdivision 3b has, without good cause, failed to attend school;

(c) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; or

(d) determines that a caretaker has, without good cause, failed to attend orientation.

(5) To the extent permissible by federal law, the following sanctions shall be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of subdivision 3c:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family shall be made in the form of protective or vendor payments. Assistance provided to the family shall be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found.

(6) When the sanctions provided by clause (5) are not permissible under federal law, the following sanctions shall be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of subdivision 3c:

(a) If the caretaker makes the refusal fails to participate, the caretaker's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found. The standard of assistance for the remaining eligible members of the assistance unit shall be the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal fails to participate is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal fails to participate will be denied and the child's needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.

Sec. 130. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall:

(1) Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will

support the caretaker's family. The case manager must work with the caretaker in completing this task;

(2) Set goals and develop a timetable for completing education and employment goals. The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker must be to complete literacy training or a general education diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general education diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided;

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a)(4) considers all factors set forth in section 257.33, subdivision 2; and

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents who are not living with friends or relatives to live in a group home or foster care setting and shall assist pregnant minors in assessing

their housing needs and planning for adequate housing. If minor parents are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess the minor parent's need for training in parenting and independent living skills and shall refer appropriate minor parents to available counseling programs designed to teach needed skills; and

(3) Inform the minor parent or pregnant minor and assist the minor parent or pregnant minor in evaluating the appropriateness of the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment related and community based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 131. Minnesota Statutes 1986, section 256.76, subdivision 1, is amended to read:

Subdivision 1. Upon the completion of ~~such~~ the investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of ~~such~~ the assistance, and the date on which ~~such~~ the assistance shall begin. A decision on an application for assistance shall be made as promptly as possible and no more than 30 days after the date of application. Notwithstanding section 393.07, the county agency shall not delay approval or issuance of assistance pending formal action of the county board of commissioners. The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time. It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until ~~such~~ the grant is modified or vacated. If the applicant is ~~subsequently found to have been eligible for assistance under sections 256.72 to 256.87, assistance rendered under section 256.871~~ must be considered as a regular AFDC payment and not a payment under section 256.871. The county agency shall notify the applicant of its decision in writing. ~~Such~~ The assistance shall be paid monthly

to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county and thereafter. After the order is filed, warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 132. [256.925] [OPTIONAL VOTER REGISTRATION FOR PUBLIC ASSISTANCE APPLICANTS AND RECIPIENTS.]

A county agency shall provide voter registration cards to every individual eligible to vote who applies for a public assistance program at the time application is made. The agency shall also make voter registration cards available to a public assistance recipient upon the recipient's request or at the time of the recipient's eligibility redetermination. The county agency shall assist applicants and recipients in completing the voter registration cards, as needed. Applicants must be informed that completion of the cards is optional. Completed forms shall be collected by agency employees and submitted to proper election officials.

Sec. 133. Minnesota Statutes 1987 Supplement, section 256.936, is amended to read:

256.936 [CHILDREN'S HEALTH PLAN.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms shall have the meanings given them:

(a) "Eligible persons" means pregnant women and children under six years old who are one year of age or older but less than 11 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. Eligibility for pregnant women shall continue for 60 days postpartum to allow for follow-up visits. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 11 years old.

(b) "Covered services" means prenatal care services and children's health services.

(c) "Prenatal care services" means the outpatient services provided to pregnant women which are medically necessary for the pregnancy. Physician or certified nurse-midwife services for delivery are included but inpatient hospital services are not included.

(d) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, nursing home or intermediate care facilities services, and mental health and chemical dependency services.

(e) (d) "Eligible providers" means those health care providers who provide prenatal care services and children's health services to medical assistance clients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance. A provider of prenatal care services shall assess whether the pregnant woman is at risk of delivering a low birth weight baby or has a health condition which may increase the probability of a problem birth.

(f) (e) "Commissioner" means the commissioner of human services.

Subd. 2. [PLAN ADMINISTRATION.] The children's health plan is established to promote access to appropriate primary health care for pregnant women and to assure healthy babies and healthy children. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide prenatal care and children's health services for eligible persons. Payment for these services shall be made to all eligible providers. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about the plan medical programs and to promote access to the covered services. The commissioner must make a quarterly assessment of the expected expenditures for the covered services and the appropriation. Based on this assessment the commissioner may limit enrollments and target former aid to families with dependent children recipients. If sufficient money is not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be made available in to provider offices, local human services agencies, public and private elementary schools, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that will be used to verify income eligibility. Notwithstanding any other law to the contrary, benefits

under this section are secondary to any a plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Subd. 4. [ENROLLMENT FEE.] An enrollment fee of \$35 is required from eligible persons for prenatal care services and an annual enrollment fee of \$25, not to exceed \$150 per family, is required from eligible persons for children's health services. The fees may be paid together at the time of enrollment or as two payment installments. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance.

Sec. 134. Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3, is amended to read:

Subd. 3. [SPECIAL CONSIDERATIONS.] (a) In determining the rate the commissioner of human services will take into consideration whether the following circumstances exist:

(1) minimal medical assistance and general assistance medical care utilization;

(2) unusual length of stay experience; and

(3) disproportionate numbers of low-income patients served.

(b) To the extent of available appropriations, the commissioner shall provide supplemental grants directly to a hospital described in section 256B.031, subdivision 10, paragraph (a), that receives medical assistance payments through a county-managed health plan that serves only residents of the county. The payments must be designed to compensate for actuarially demonstrated higher health care costs within the county, for the population served by the plan, that are not reflected in the plan's rates under section 256B.031, subdivision 4.

(c) For inpatient hospital originally paid admissions, excluding medicare cross-overs, provided from July 1, 1988, through June 30, 1989, hospitals with 100 or fewer medical assistance annualized paid admissions, excluding medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased 17 percent. Hospitals with more than 100 but fewer than 250 medical assistance annualized paid admissions, excluding medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased 7

percent for inpatient hospital originally paid admissions, excluding medicare cross-overs, provided from July 1, 1988, through June 30, 1989. This provision applies only to hospitals that have 100 or fewer licensed beds on March 1, 1988.

Sec. 135. Minnesota Statutes 1987 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 requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion prior to reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. 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 252.41, subdivision 3, 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 unless the facility is eligible as a sole community provider as defined in Code of Federal Regulations, title 42, section 412.92. If medical assistance is used to pay for costs of nursing care provided to patients in swing beds when the facility is an eligible sole community provider, the facility's medical assistance payments are contingent upon the following conditions:

(a) the health care financing administration approves the state plan amendment;

(b) swing bed patients are screened as provided for in Minnesota Rules, part 9549.0059;

(c) it is no longer medically necessary for the patient to receive acute care level of service;

(d) the daily medical assistance payment for swing bed services shall be the statewide average medical assistance payment ex-

pressed as per diem for skilled nursing services as computed annually by the commissioner of human services on July 1 each year; and

(e) the continuation of the medical assistance swing bed option for sole community providers beyond June 30, 1990, is subject to legislative adoption of a like recommendation made by the interagency board for quality assurance in its nursing home bed distribution study required under Laws 1987, chapter 403, article 4, section 13;

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed 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. A second medical opinion is required before reimbursement for elective surgeries requiring a second opinion. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before reimbursement and the criteria and standards for deciding whether an elective surgery should require a second surgical opinion. The list and the criteria and standards are not subject to the requirements of sections 14.01 to 14.69. 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. "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) Nurse anesthetist services;

(12) 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 nursing 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 the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. 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) (13) Diagnostic, screening, and preventive services. "Preventive services" include services related to pregnancy, including services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome. Preventive services available to a

woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance;

~~(13)~~ (14) 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. For purposes of obtaining Medicare part B, expenditures may be made even if federal funding is not available;

~~(14)~~ (15) 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)~~ (16) 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)~~ (17) 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)~~ (18) Personal care assistant 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 assistants 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;

(18) (19) To the extent authorized by rule of the state agency, case management services to persons with serious and persistent mental illness;

(19) (20) To the extent authorized by rule of the state agency, case management services to persons with brain injuries;

(20) (21) Hospice care services under Public Law Number 99-272, section 9505, to the extent authorized by rule; and

(21) (22) Day treatment services as specified in sections 245.462, subdivision 8, and 245.471, subdivision 3, that are provided under contract with the county board; and

(23) 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 Laws 1986, chapter 394, 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 Laws 1986, chapter 394, sections 8 to 20. The commissioner shall publish in the State Register a list of elective surgeries that require a second medical opinion before medical assistance reimbursement, and the criteria and standards for deciding whether an elective surgery should require a second medical opinion. The list and criteria and standards are not subject to the requirements of sections 14.01 to 14.69. The commissioner shall publish in the State Register a list of health services that require prior authorization, as well as the criteria and standards used to select health services on the list. The list and the criteria and standards used to formulate it are not subject to the requirements of sections 14.01 to 14.69. The commissioner's decision whether prior authorization is required for a health service or a second medical opinion is required for an elective surgery is not subject to administrative appeal.

Sec. 136. Minnesota Statutes 1987 Supplement, section 256B.031, subdivision 5, is amended to read:

Subd. 5. [FREE CHOICE LIMITED.] (a) The commissioner may require recipients of aid to families with dependent children, ~~except those recipients who are refugees and whose health services are reimbursed 100 percent by the federal government for the first 31 months after entry into the United States,~~ to enroll in a prepaid health plan and receive services from or through the prepaid health plan, with the following exceptions:

(1) recipients who are refugees and whose health services are reimbursed 100 percent by the federal government for the first 24 months after entry into the United States; and

(2) recipients who are placed in a foster home or facility. If placement occurs before the seventh day prior to the end of any month, the recipient will be disenrolled from the recipient's prepaid health plan effective the first day of the following month. If placement occurs after the seventh day before the end of any month, that recipient will be disenrolled from the prepaid health plan on the first day of the second month following placement. The prepaid health plan must provide all services set forth in subdivision 2 during the interim period.

Enrollment in a prepaid health plan is mandatory only when recipients have a choice of at least two prepaid health plans.

(b) Recipients who become eligible on or after December 1, 1987, must choose a health plan within 30 days of the date eligibility is determined. At the time of application, the local agency shall ask the recipient whether the recipient has a primary health care provider. If the recipient has not chosen a health plan within 30 days but has provided the local agency with the name of a primary health care provider, the local agency shall determine whether the provider participates in a prepaid health plan available to the recipient and, if so, the local agency shall select that plan on the recipient's behalf. If the recipient has not provided the name of a primary health care provider who participates in an available prepaid health plan, commissioner shall randomly assign the recipient to a health plan.

(c) Recipients who are eligible on November 30, 1987, must choose a prepaid health plan by January 15, 1988. If possible, the local agency shall ask whether the recipient has a primary health care provider and the procedures under paragraph (b) shall apply. If a recipient does not choose a prepaid health plan by this date, the commissioner shall randomly assign the recipient to a health plan.

(d) Each recipient must be enrolled in the health plan for a minimum of six months following the effective date of enrollment, except that the recipient may change health plans once within the first 60 days after initial enrollment. The commissioner shall request a waiver from the federal Health Care Financing Administration to extend the minimum period to 12 months to limit a recipient's ability to change health plans to once every six or 12 months. If such a waiver is obtained, each recipient must be enrolled in the health plan for a minimum of six or 12 months. A recipient may change health plans once within the first 60 days after initial enrollment.

(e) Women who are receiving medical assistance due to pregnancy

and later become eligible for aid to families with dependent children are not required to choose a prepaid health plan until 60 days postpartum. An infant born as a result of that pregnancy must be enrolled in a prepaid health plan at the same time as the mother.

(f) If third-party coverage is available to a recipient through enrollment in a prepaid health plan through employment, through coverage by the former spouse, or if a duty of support has been imposed by law, order, decree, or judgment of a court under section 518.551, the obligee or recipient shall participate in the prepaid health plan in which the obligee has enrolled provided that the commissioner has contracted with the plan.

Sec. 137. Minnesota Statutes 1987 Supplement, section 256B.042, subdivision 2, is amended to read:

Subd. 2. [LIEN ENFORCEMENT.] The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, and its verified lien statement shall be filed with the appropriate court administrator 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 is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is received by it under subdivision 4, paragraph (c), or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may file its verified lien statement or commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received or (2) the date the recipient's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.

Sec. 138. Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] 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, except for those persons eligible for Minnesota supplemental aid because the local agency waived excess assets under section 256D.37, subdivision 2; 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. For purposes of this section, a woman is considered pregnant for 60 days postpartum; 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 (8) if born and living with the woman. For purposes of this section, a woman is considered pregnant for 60 days postpartum; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; the methodology for calculating the disregards and deductions from income shall be as specified in section 256D.37, subdivisions 6 to 14; or

(7) who, except for the amount of income or assets, 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. However, in the case of families and children who meet the categorical eligibility requirements for aid to families with dependent children, the methodology for calculating assets shall be as specified in section 256.73, subdivision 2, except that the exclusion for an automobile shall be as in clause (13)(g) as long as acceptable to the health care financing administration, and the methodology for calculating deductions from earnings for child care and work expenses shall be as specified in section 256.74, subdivision 1; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's 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 rules of the state agency; and

(12) who alone, or together with the person's 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 a 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. The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is \$6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months; 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. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. 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, (b) household goods and furniture in use in the home, (c) personal effects with a total equity value of \$2,000 or less, (d) wearing apparel, (e) personal property used as a regular abode by the applicant or recipient, (f) a lot in a burial plot for each member of the household, (g) personal jewelry acquired more than 24 months immediately prior to the period of medical assistance

eligibility and personal jewelry acquired within 24 months immediately prior to the period of medical assistance eligibility and not purchased with assets of the applicant or recipient, (g) (e) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income, (h) (f) for a period of six months, insurance settlements to repair or replace damaged, destroyed, or stolen property, (i) (g) one motor vehicle that is 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 that is used primarily for the person's benefit, and (j) (h) other items which may be required by federal law or statute. To be excluded, the vehicle must have a market value of less than \$4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the cash or liquid asset limit; and

(14) who has or anticipates receiving a semiannual income not in excess of 115 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133½ percent of the AFDC income standard. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509; and

(15) who has ~~monthly~~ expenses for medical care that are more than the amount of the person's excess income, computed on a ~~monthly~~ basis, in which case eligibility may be established and medical assistance payments may be made to cover the ~~monthly~~ unmet medical need by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in clause (14). The person shall elect to have the medical expenses deducted monthly or at the beginning of the budget period; or who is a pregnant woman or infant up to one year of age who meets the requirements of clauses (1) to (8) except that her anticipated income is in excess of the income standards by family size used in the aid to families with dependent children program, but is equal to or less than ~~133½~~ 185 percent of that income standard the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant up to one year of age with respect to this clause shall be without regard to the asset standards specified in clauses (12) and (13). For persons who reside in licensed nursing homes, regional treatment centers, or medical institutions, the income over and above that required in section 256B.35 for personal needs allowance is to be applied to the cost of institutional care. In addition, income may be retained by an institutionalized person (a)

to support dependents in the amount that, together with the income of the spouse and child under age 18, would provide net income equal to the medical assistance standard for the family size of the dependents excluding the person residing in the facility; or (b) for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if the person was not living together with a spouse or child under age 21 at the time the person entered a long-term care facility, if the person has expenses of maintaining a residence in the community, and if a physician certifies that the person is expected to reside in the long-term care facility on a short-term basis. For purposes of this section, persons are determined to be residing in licensed nursing homes, regional treatment centers, or medical institutions if the persons are expected to remain for a period expected to last longer than three months. 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 the person or the person's spouse from any third person liable for the costs of medical care for the person, the spouse, and children. The state agency shall require from any applicant or recipient of medical assistance the assignment of any rights to medical support and third party payments. Persons must cooperate with the state in establishing paternity and obtaining third party payments. By signing an application for medical assistance, a person assigns to the department of human services all rights the person may have to medical support or payments for medical expenses from any other person or entity on their own or their dependent's behalf and agrees to cooperate with the state in establishing paternity and obtaining third party payments. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment takes effect upon the determination that the applicant is eligible for medical assistance and up to three months prior to the date of application if the applicant is determined eligible for and receives medical assistance benefits. The application must contain a statement explaining this assignment. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to notification of the assignment by the person or organization providing the benefits; ~~and~~

(17) who is under age 19 and qualifies as a disabled individual under United States Code, title 42, section 1382c(a), and who would be eligible for medical assistance under the state plan if residing in a medical institution, and who requires a level of care provided in a hospital, skilled nursing facility, intermediate care facility, or intermediate care facility for persons with mental retardation or related conditions, for whom home care is appropriate, provided that the cost to medical assistance for home care services is not more

than medical assistance would pay for appropriate institutional care; and

(18) eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 139. Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 4, is amended to read:

Subd. 4. [CITIZENSHIP REQUIREMENTS.] Eligibility for medical assistance is limited to citizens of the United States and aliens lawfully admitted for permanent residence or otherwise permanently residing in the United States under the color of law. Aliens who are seeking legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, who are under age 18, over age 65, blind, disabled, or Cuban or Haitian, and who meet the eligibility requirements of medical assistance under subdivision 1 and section 256B.17 are eligible to receive medical assistance. Pregnant women who are aliens seeking legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, and who meet the eligibility requirements of medical assistance under subdivision 1 are eligible for payment of care and services through the period of pregnancy and six weeks postpartum. Payment shall also be made for care and services that are furnished to an alien, regardless of immigration status, who otherwise meets the eligibility requirements of this section if such care and services are necessary for the treatment of an emergency medical condition. For purposes of this subdivision, the term "emergency medical condition" means a medical condition, including labor and delivery, that if not immediately treated could cause a person physical or mental disability, continuation of severe pain, or death.

Sec. 140. Minnesota Statutes 1986, section 256B.08, is amended to read:

256B.08 [APPLICATION.]

Subdivision 1. [APPLICATION PROCESS.] An applicant for medical assistance hereunder, or a person acting in the applicant's behalf, shall file an application with a county local agency in such the manner and form as shall be prescribed by the state agency. When a married applicant resides in a nursing home or applies for medical assistance for nursing home services, the county local agency shall consider an application on behalf of the applicant's spouse only upon specific request of the applicant or upon specific request of the spouse and separate filing of an application.

Subd. 2. [EXPEDITED REVIEW FOR PREGNANT WOMEN.] A pregnant woman who may be eligible for assistance under section

256B.06, subdivision 1, shall receive an appointment for eligibility determination no later than five working days from the date of her request for assistance from the local agency. The local agency shall expedite processing her application for assistance and shall make a determination of eligibility on a completed application no later than ten working days following the applicant's initial appointment. The local agency shall assist the applicant to provide all necessary information and documentation in order to process the application within the time period required under this subdivision. The state agency shall provide for the placement of applications for medical assistance in eligible provider offices, community health offices, and Women, Infants and Children (WIC) program sites.

Sec. 141. Minnesota Statutes 1987 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 certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (c); (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have their nursing home care paid for indefinitely by the veteran's administration; or (6) 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 applicants who are receiving medical assistance must be paid by the medical assistance program. The total screening cost for each county for applicants who are not eligible for medical assistance and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The~~

commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). For all individuals regardless of payment source, if delay-of-screening timelines are not met because a county is late in screening an individual who meets the delay-of-screening criteria, the county is solely responsible for paying the cost of the preadmission screening. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.

Sec. 142. Minnesota Statutes 1986, section 256B.092, subdivision 5, is amended to read:

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, 1987, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for persons with mental retardation or related conditions. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, ~~1982~~ 1987, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community-based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided without the waived services.

Sec. 143. Minnesota Statutes 1986, 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 date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, 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 1987. 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. 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.

Sec. 144. Minnesota Statutes 1986, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. ~~In determining the~~ No resource contribution is required of a spouse at the time of the first approved medical assistance application; all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. These rules shall not require repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27, subdivision 2, for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 145. Minnesota Statutes 1986, section 256B.17, subdivision 7, is amended to read:

Subd. 7. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 to 6, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to a noninstitutionalized spouse without loss of eligibility if all of the following conditions apply:

(a) The noninstitutionalized spouse is not applying for or receiving assistance;

(b) Either (1) the noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse; or (2) the noninstitutionalized spouse has less than 50 percent of the total value of nonexempt assets owned by both parties, jointly or individually;

(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than one-half of the total value of the liquid assets of the parties or \$10,000 in liquid assets, whichever is greater; and

(d) The transfer may be effected only once, at the time of initial medical assistance application.

Sec. 146. [256B.31] [CONTINUED HOSPITAL CARE FOR LONG-TERM POLIO PATIENT.]

Notwithstanding any law to the contrary, a medical assistance recipient who has been a polio patient in an acute care hospital for a period of not less than 25 consecutive years is eligible to continue receiving hospital care, whether or not the care is medically necessary for purposes of federal reimbursement.

The cost of continued hospital care not reimbursable by the federal government shall be paid with state funds allocated for the medical assistance program. The rate paid to the hospital shall be the rate per day established using Medicare principles for the hospital's fiscal year ending December 31, 1981, adjusted each year by the annual hospital cost index established under section 256.969, subdivision 1, or by other limits in effect at the time of the

adjustment. This section does not prohibit a voluntary move to another living arrangement by a recipient whose care is reimbursed under this section.

Sec. 147. Minnesota Statutes 1987 Supplement, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of supplemental security income, in this state shall not be less than \$40 \$45 per month from all sources. When benefit amounts for social security or supplemental security income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage to the nearest whole dollar the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home, medical institution, or intermediate care facility. The commissioner of human services shall provide timely notice to local agencies, providers, and recipients of increases under this provision.

~~Provided that this~~ (b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, notwithstanding the provisions of section 256D.37, subdivision 2, and payments to the recipients ~~from~~ of Minnesota supplemental aid funds may be made once each three months ~~beginning in October 1977,~~ covering liabilities that accrued during the preceding three months.

Sec. 148. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER-OPERATING-COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other-operating-cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to 109 percent of the median of the array of allowable historical other-operating-cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other-operating-cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to 125 percent of the median of the arrays of the allowable historical case mix operating

cost standardized per diems and the allowable historical other-care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, through June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 2.7 percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [PERA EXEMPTION.] For rate years beginning on or after July 1, 1988, the commissioner shall exempt allowable public employee pension contributions separately reported by a governmentally operated nursing home on its annual cost report, from the care related operating cost limits and the other operating cost limits.

(e) [NEW BASE YEAR.] The commissioner shall establish the reporting year ending September 30, 1989, as a new base year.

Sec. 149. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3d. [BETTERMENTS AND ADDITIONS.] Notwithstanding any contrary provision of chapter 256B, or a rule adopted under chapter 256B, a nursing home that commenced construction on a betterment and addition costing \$700,000 or more prior to the expiration of Minnesota Rules, 12 MCAR 2.05001 to 2.05016 (Temporary)(1983) shall have its property-related payment rate step-up as a result of the betterment and addition calculated as set forth in 12 MCAR 2.05011.B.3 in the case of betterments, and 12 MCAR 2.05011.D in the case of additions. For purposes of this subdivision, the terms "betterment" and "addition" have the meaning set forth in 12 MCAR 2.05002 and the term "commenced construction" has the meaning set forth in section 144A.071, subdivision 3.

Sec. 150. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3e. [HOSPITAL ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspend operation of the hospital, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes in three subsequent rate years.

Sec. 151. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. Beginning January 1, 1989, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates

under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) For purposes of determining the amount of a reported actual special assessment to be included in a nursing home's operating cost, the commissioner of human services shall include as a special assessment, an expense charged to a nursing home by the municipality of Minneota through a sewer rental charge assessed against the nursing home for a waste water treatment facility.

Sec. 152. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] For rate years beginning on or after July 1, 1990, nonhospital-attached nursing homes that, on or after January 1, 1976, but prior to December 31, 1985, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable remaining weighted average debt prior to the application of the replacement-cost-new per bed limit and whose debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

Sec. 153. Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in

the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the fiscal year beginning on January 1, 1988, the facility's payment rate shall be established using the following method: the commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next the prior year's payment rate must be adjusted by 2.5 percent to determine an adjusted payment rate. The facility's payment rate is the adjusted prior year's payment rate plus the real estate tax and special assessment per diem.

(5) For the fiscal year beginning on or after January 1, 1989, the facility's payment rate shall be established using the following method: the commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statements by actual resident days to compute a real estate tax and special assessment per diem. Next the prior year's payment rate less the real estate tax and special assessment per diem must be adjusted by 2.5 percent to determine an adjusted payment rate. The facility's payment rate is the adjusted payment rate plus the real estate tax and special assessment per diem.

(6) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

(1) the sale or transfer of a nursing home upon death of an owner;

(2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;

(3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;

(4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;

(5) a sale and leaseback to the same licensee which does not constitute a change in facility license;

(6) a transfer of an interest to a trust;

(7) gifts or other transfers for no consideration;

(8) a merger of two or more related organizations;

(9) a transfer of interest in a facility held in receivership;

(10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;

(11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or

(12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of Minnesota Rules, parts 9549.0010 to 9549.0080, any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program, and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 154. Minnesota Statutes 1987 Supplement, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 or to a nursing home pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity justification, as determined by the commissioner, in consultation with an advisory committee that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program. If the provider number of a nursing home is used to bill services provided by a vendor of therapy services that is not related to the nursing home by ownership, control, affiliation or employment status, no withholding of payment shall be imposed against the nursing home for services not medically necessary except for funds due the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c). For the purpose of this subdivision, no monetary recovery may be imposed against the nursing home for funds paid to the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c), for services not medically necessary.

Sec. 155. Minnesota Statutes 1987 Supplement, section 256B.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.

(a) "Commissioner" means the commissioner of human services.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for persons with mental retardation or related conditions.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1982 1987, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

Sec. 156. Minnesota Statutes 1986, section 256B.501, subdivision 3, is amended to read:

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for persons with mental retardation or related conditions. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles;

(d) incentives to reward accumulation of equity; and

(e) a revaluation on sale for a facility that, for at least three years before its use as an intermediate care facility, has been used by the seller as a single family home and been claimed by the seller as a homestead, and was not revalued immediately prior to or upon entering the medical assistance program, provided that the facility revaluation not exceed the amount permitted by the Social Security Act, section 1902(a)(13); and

(f) appeals procedures that satisfy the requirements of section 256B.50 for appeals of decisions arising from the application of standards or methods pursuant to Minnesota Rules, parts 9510.0500 to 9510.0890, 9553.0010 to 9553.0080, and 12 MCAR 2.05301 to 2.05315 (temporary).

In establishing rules and procedures for setting rates for care of

residents in intermediate care facilities for persons with mental retardation or related conditions, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent.

Sec. 157. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3a. [INTERIM RATES.] For rate years beginning October 1, 1988, and October 1, 1989, the commissioner shall establish an interim program operating cost payment rate for care of residents in intermediate care facilities for persons with mental retardation.

(a) For the rate year beginning October 1, 1988, the interim program operating cost payment rate shall be the greater of the facility's 1987 reporting year allowable program operating costs per resident day increased by the composite forecasted index in section 256B.501, subdivision 3c, or the facility's January 1, 1988, program operating cost payment rate increased by the composite forecasted index in section 256B.501, subdivision 3c, except that the composite forecasted index is established based on the midpoint of the period January 1, 1988, through September 30, 1988, to the midpoint of the following rate year.

(b) For the rate year beginning October 1, 1989, the interim program operating cost payment rate shall be the greater of the facility's 1988 reporting year allowable program operating costs per resident day increased by the composite forecasted index in section 256B.501, subdivision 3c or the facility's October 1, 1988, program operating cost payment rate increased by the composite forecasted index in section 256B.501, subdivision 3c, except that the composite forecasted index is established based on the midpoint of the rate year beginning October 1, 1988, to the midpoint of the following rate year.

Sec. 158. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3b. [SETTLE-UP OF COSTS.] The facility's program operating costs are subject to a retroactive settle-up for the 1988 and 1989 reporting years, determined by the following method:

(a) If a facility's program operating costs, including one-time adjustment program operating costs for the facility's 1988 or 1989 reporting year are less than 98 percent of the facility's total program

operating cost payments for facilities with 20 or fewer licensed beds, or less than 99 percent of the facility's total program operating cost payments for facilities with more than 20 licensed beds, then the facility must repay the difference to the state according to the desk audit adjustment procedures in Minnesota Rules, part 9553.0041, subpart 13, items B to E. For the purpose of determining the retroactive settle-up amounts, the facility's total program operating cost payments shall be computed by multiplying the facility's program operating cost payment rates, including one-time program operating cost adjustment rates for those reporting years, by the prorated resident days which correspond to those program operating cost payment rates paid during those reporting years.

(b) If a facility's program operating costs, including one-time adjustment program operating costs for the facility's 1989 reporting year are between 102 and 105 percent of the amount computed by multiplying the facility's program operating cost payment rates, including one-time program operating cost adjustment rates for those reporting years, by the prorated resident days which correspond to those program operating cost payment rates paid during that reporting year, the state must repay the difference to the facility according to the desk audit adjustment procedures in Minnesota Rules, part 9553.0041, subpart 13, items B to E.

A facility's retroactive settle-up must be calculated by October 1, 1990.

Sec. 159. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index shall incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index shall be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program, maintenance, and administrative operating cost categories, the statewide index shall incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index shall be weighted annually by the proportion of total allowable other operating costs to the total allowable operating costs in the program,

maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

Sec. 160. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3d. [LIMITS ON ADMINISTRATIVE OPERATING COSTS.] For the rate year beginning October 1, 1988, the administrative operating cost per bed limit shall be calculated according to paragraphs (a) to (d).

(a) The commissioner shall classify a facility into one of two groups based on the number of licensed beds reported on the facility's cost report. Group one includes facilities with more than 20 licensed beds. Group two includes facilities with 20 or fewer licensed beds.

(b) The commissioner shall determine the allowable administrative historical operating cost per licensed bed for each facility in the two groups by dividing the allowable administrative historical operating cost in each facility by the number of licensed beds in each facility.

(c) The commissioner shall establish the administrative cost per licensed bed limit by multiplying the median of the array of allowable administrative historical operating costs per licensed bed for each group by the percentage that establishes the limit at the 75th percentile of the array of each group.

(d) For the rate year beginning October 1, 1988, the maximum allowable administrative historical operating cost shall be the facility's allowable administrative historical operating cost or the amount in paragraph (c) multiplied by the facility's licensed beds, whichever is less.

Sec. 161. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3e. [INCREASE IN LIMITS.] For rate years beginning on or after October 1, 1990, the commissioner shall increase the administrative cost per licensed bed limit in section 256B.501, subdivision 3d, paragraph (c), and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2), by multiplying the administrative operating cost per bed limit and the maintenance operating cost limit by the composite forecasted index in section 256B.501, subdivision 3c except that the index shall be based on the 12 months between the midpoints of the two preceding reporting years.

Sec. 162. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3f. [RATE ADJUSTMENTS.] For rate years beginning October 1, 1989, the commissioner may develop a method to adjust facility rates to meet new licensing or certification standards or regulations adopted by the state or federal government which result in significant cost increases. The commissioner may also consider establishing separate administrative cost limits based on other factors including difficulty of care of residents and licensure classification.

Sec. 163. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS.] For rate years beginning on or after October 1, 1990, the commissioner shall establish program operating cost rates for care of residents in facilities that take into consideration service characteristics of residents in those facilities. To establish the service characteristics of residents, the quality assurance and review teams in the department of health shall assess all residents annually beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the client's behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. The commissioner may establish procedures to adjust the program operating costs of facilities based on a comparison of client services characteristics, resource needs, and costs.

Sec. 164. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3h. [SCOPE.] The provisions in subdivisions 3a to 3g do not apply to facilities whose payment rates are governed by Minnesota Rules, part 9553.0075.

Sec. 165. Minnesota Statutes 1986, section 256B.501, is amended by adding a subdivision to read:

Subd. 3i. [RULES.] The commissioner shall adopt rules to implement section 256B.501, subdivisions 3e, 3f, 3g, and 3h. The commissioner shall consult with provider groups, advocates, and legislators to develop these rules.

Sec. 166. [256B.64] [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

A ventilator-dependent recipient of medical assistance who has

been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. Subject to the patient's rights under section 144.651, the hospital, physicians, and hospital staff, consistent with the standards of care in the medical community, shall, while the patient is hospitalized, at all times retain final decision-making authority and otherwise retain responsibility for the care and treatment of the ventilator-dependent patient.

The personal care assistant or private duty nurse shall perform the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. After the 120 hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant is necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order to continue payments. The commissioner may adopt rules necessary to implement this section. Reimbursement under this section must be at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient under the medical assistance program.

Sec. 167. Minnesota Statutes 1986, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall may include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Sec. 168. Minnesota Statutes 1986, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to

the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (a) persons eligible for medical assistance according to section 256B.06, subdivision 1, paragraphs (1) and (2); and (b) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Sec. 169. Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT: GEOGRAPHIC AREA.] The commissioner of human services shall cooperate with local coalitions to establish a demonstration project to provide low cost medical insurance to uninsured low income persons in Cook, Crow Wing, Lake, St. Louis, Carlton, Aitkin, Pine, Itasca, and Koochiching counties except an individual county may be excluded as determined by the county board of commissioners.

Sec. 170. Minnesota Statutes 1987 Supplement, section 256B.73, is amended by adding a subdivision to read:

Subd. 10a. [ADDITIONAL DEMONSTRATION PROJECTS.] Additional demonstration projects shall be established to allow exploration of alternative approaches to providing medical insurance to low-income persons. The commissioner shall enter into a contract with the coalition formed for the nine counties named in subdivision 2. The coalition shall work with the commissioner and potential demonstration providers as well as other public and private organizations to determine program design, including enrollee eligibility requirements, benefits, and participation.

Sec. 171. [256B.74] [MANAGED CARE FOR MEDICAL ASSISTANCE AND GENERAL ASSISTANCE MEDICAL CARE RECIPIENTS.]

Subdivision 1. [GOAL.] The commissioner shall design and implement interventions to monitor and manage the health services of recipients in the medical assistance and general assistance medical care programs who are identified as at risk of underutilization of services or of inappropriate high frequency, high cost use of such services. These interventions shall be consistent with the goals of the medical assistance and general assistance medical care programs, to make available to recipients accessible, high quality and cost effective health services.

Subd. 2. [FORMATION OF TASK FORCE.] The commissioner shall convene a task force composed of representatives from expert and interested parties to advise the department of human services in analyzing the utilization patterns of individuals in the medical assistance and general assistance medical care programs and in determining the applicability and usefulness of focused utilization review, case management services, or other managed care approaches to all or parts of these populations. The task force shall include, at a minimum, representatives from the provider community, recipient groups, the departments of health and finance, appropriate experts from the University of Minnesota and the chairs of the house and senate health policy committees or their designees. The analysis may be conducted by staff from the department of human services, or the department of human services may contract with selected research institutions for assistance in the conduct of this analysis.

The design of the intervention shall derive from the findings of the task force as it reviews evidence of the utilization patterns of recipients and providers. The task force shall report its findings and recommendations to the commissioner and the legislature by September 30, 1988.

Subd. 3. [OBJECTIVES.] The specific objectives of the task force shall be determined by the commissioner in consultation with the task force, and shall include at a minimum:

(a) To identify among the general population and in selected geographic areas, patterns of utilization of health services, especially high frequency, high cost use and possible underutilization:

(1) To establish guidelines to distinguish possible overutilization of services from appropriate high frequency, high cost utilization, and to determine levels of utilization below which care may be inappropriate;

(2) To identify patterns of emergency room utilization;

(3) To establish guidelines to identify possible inappropriate use of the hospital emergency room;

(4) To determine the levels and types of patient and physician initiated utilization of the medical assistance and general assistance medical care population; and

(5) To review the type and quality of care provided to recipients identified as at risk of inappropriately high or low utilization of health services.

(b) To recommend interventions and an implementation plan

consistent with the goals of the medical assistance and general assistance medical care programs to improve the management of health services to recipients identified as at risk of inappropriately high or low utilization of care:

(1) To examine various approaches to case management and utilization review which might improve the quality and accessibility and reduce the cost of care for individuals identified as at risk;

(2) To conduct cost benefit analyses of such alternative approaches;

(3) To design interventions which have appropriate incentives for recipients and health care providers;

(4) To insure that such interventions are consistent with the surveillance utilization review system program and other managed care programs established by the Minnesota legislature; and

(5) To establish guidelines to evaluate any recommended intervention.

Subd. 4. [IMPLEMENTATION OF INTERVENTIONS.] Based upon the recommendations of the task force, the commissioner shall implement appropriate interventions to manage the care of possible inappropriate high frequency, high cost users and underutilizers of health services in the medical assistance and general assistance medical care populations. The commissioner may adopt rules, including emergency rules pursuant to sections 14.29 to 14.36, to carry out the purposes of subdivisions 1 to 4 of this section. By December 31, 1988, the commissioner, with the assistance of the department of human services staff, shall identify and provide for the information, procedures, and clinical expertise which may be necessary to conduct the interventions recommended by the task force. The commissioner shall implement the interventions on January 1, 1989. The commissioner shall provide for the monitoring and evaluation of the interventions, measuring their impact on the quality, accessibility, and cost effectiveness of health services provided to affected populations of the medical assistance and general assistance medical care recipients.

Sec. 172. [256B.75] [FEASIBILITY STUDY FOR HABILITATION SERVICES.]

The commissioner of human services, together with the commissioner of jobs and training, shall study the feasibility of providing medical assistance reimbursement to work activity programs for training and habilitative services provided to participants. The commissioner shall report its findings to the legislature by Decem-

ber 1, 1988. For the purpose of this section, a work activity program is defined at section 129A.01, subdivision 7.

Sec. 173. Minnesota Statutes 1987 Supplement, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (1) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(2) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard shall also be increased by the same percentage.

(3) For an assistance unit consisting of ~~an a single adult who is childless and unmarried or living apart from children and spouse, but~~ who lives with a parent or parents, the general assistance standard of assistance shall be equal to the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, provided that the standard shall not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, shall not be counted in the determination of eligibility or benefit level for the assistance unit. ~~An adult child shall be~~ The assistance unit is ineligible for general assistance if the available resources or the countable income of the adult child assistance unit and the parent or parents with whom the adult child assistance unit lives are such that a family consisting of the adult child's assistance unit's parent or parents, the parent or parents' other family members and the adult child assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, use the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple.

(4) For an assistance unit consisting of a ~~married childless couple who are childless or who live apart from any child or children of~~

whom either of the married couple is a parent or legal custodian, the standards of assistance shall be equal to the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, then the standard of assistance for the other shall be equal to the second adult standard of the aid to families with dependent children program, except that, when one member of the couple is not included in the general assistance grant because that member is not categorically eligible for general assistance under section 256D.05, subdivision 1, and has exhausted work readiness eligibility under section 256D.051, subdivision 4 or 5, for the period of time covered by the general assistance grant, then the standard of assistance for the remaining member of the couple shall be equal to the first adult standard of the aid to families with dependent children program.

(5) For an assistance unit consisting of all members of a family, the standards of assistance shall be the same as the standards of assistance applicable to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members shall be equal to the standards of assistance applicable to an assistance unit composed of the entire family, less the standards of assistance applicable to a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. Notwithstanding the foregoing, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit shall be equal to the special child standard of the aid to families with dependent children program. A child shall not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program; or supplemental security income; retirement, survivors, and disability income; other assistance programs; or child support and maintenance payments. The income of a child who is excluded from the assistance unit shall not be counted in the determination of eligibility or benefit level for the assistance unit.

Sec. 174. Minnesota Statutes 1986, section 256D.02, subdivision 7, is amended to read:

Subd. 7. "Childless couple" means two individuals who are related by marriage and who are living married to each other, live in a place of residence maintained by them as their own home, and are either childless or living apart from their children.

Sec. 175. Minnesota Statutes 1986, section 256D.02, is amended by adding a subdivision to read:

Subd. 12a. "Single adult" means an individual 18 years or older who is childless and unmarried or living apart from the individual's children and spouse.

Sec. 176. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

General assistance medical care shall not be available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance.

General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

Sec. 177. Minnesota Statutes 1987 Supplement, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual, married couple, or family assistance unit, the total amount equals the applicable standard of assistance for gen-

eral assistance. In determining eligibility for and the amount of assistance for an individual or married couple, the local agency shall disregard the first \$50 of earned income per month.

Sec. 178. Minnesota Statutes 1987 Supplement, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan and for persons living in supervised apartments with services funded under Minnesota Rules, parts 9535.0100 to 9535.1600, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 179. Minnesota Statutes 1986, section 256D.06, is amended by adding a subdivision to read:

Subd. 1c. [ELIGIBILITY OF FAMILIES.] Notwithstanding any other provisions of sections 256D.01 to 256D.22, general assistance for an assistance unit consisting of members of a family shall be granted in an amount that is equal to the amount of assistance which would be paid to an aid to families with dependent children assistance unit which has the same size, composition, income, and other circumstances relevant to the computation of an AFDC grant. Income for an assistance unit consisting of members of a family applying for or receiving general assistance shall be determined in the same manner as for persons applying for or receiving aid to families with dependent children, except that the first \$50 per month of total child support paid on behalf of family members is excluded and the balance is counted as unearned income, and

nonrecurring lump sums received by the family shall be considered income in the month received and a resource thereafter.

Sec. 180. Minnesota Statutes 1986, section 256D.07, is amended to read:

256D.07 [TIME OF PAYMENT OF ASSISTANCE.]

An applicant for general assistance or general assistance medical care authorized by section 256D.03, subdivision 3 shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance or general assistance medical care shall be permitted by the local agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no local agency shall require that a person requesting assistance appear at the offices of the local agency more than once prior to the date on which the person is permitted to make the application. The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point." On the date that general assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue until either the person is determined to be ineligible for general assistance or the first grant of general assistance is paid to the person. A determination of an applicant's eligibility for general assistance shall be made by the local agency as soon as the required verifications are received by the local agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the local agency. ~~The amount of the first grant of general assistance awarded to an applicant shall be computed to cover the time period starting with the date that assistance is first requested or if the applicant is not eligible on that date, the date on which the applicant first becomes eligible, and~~ The first grant may be reduced by the amount of emergency general assistance provided to the applicant. The first month's grant shall be computed to cover the time period starting with the date a signed

application form is received by the local agency or from the date that the applicant meets all eligibility factors, whichever occurs later.

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or general assistance medical care provided pursuant to section 256D.03, subdivision 3 or the amount of the applicant's general assistance grant, the local agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 181. Minnesota Statutes 1986, section 256D.35, is amended by adding a subdivision to read:

Subd. 9. [HOMESTEAD.] "Homestead" means a shelter in which the individual or the spouse with whom the individual lives has an ownership interest, and that is the principal residence of the individual, spouse, or the individual's minor or disabled child. The home may be either real or personal property, fixed or mobile, and located on land or water. The home includes all the land that appertains to it and buildings located on that land.

Sec. 182. Minnesota Statutes 1987 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 an adult with mental illness in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, 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 maximum negotiated rate specified in this section. The rate for room and board for 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 or a facility that, on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a supplemental aid negotiated rate facility under this chapter. The following facilities are exempt from the limit on negotiated rates and must be reimbursed for documented actual costs, until an alternative reimbursement system covering services excluding room and board maintenance services is developed by the commissioner:

(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 does not receive supplemental program funding under Minnesota Rules, parts 9535.2000 to 9535.3000 or parts 9553.0010 to 9553.0080. Beginning July 1, 1987, the facilities under clause (1) are subject to applicable supplemental aid limits, and 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 the annual percentage change in the consumer price index (CPI-U U.S. city average), as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100) or 2.5 percent, whichever is less. 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 must be the same as the earned income disregard available to disabled persons in the supplemental security income program and all actual work expenses must be deducted when determining the amount of income for the individual. From 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. 183. Minnesota Statutes 1986, section 256D.37, subdivision 2, is amended to read:

Subd. 2. [RESOURCE STANDARDS.] The resource standards and restrictions for supplemental aid under this section shall be those used to determine eligibility for disabled individuals in the supplemental security income program. The local agency shall apply the relevant criteria to each application. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.

Sec. 184. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 6. [TRANSFERS.] In determining the resources of an individual and an eligible spouse, if any, a person shall include a resource or interest that exceeds the limits set out in subdivision 2 and that was given away or sold for less than fair market value within the 24 months preceding application for Minnesota supplemental aid or during the period of eligibility.

A transaction described in this subdivision is presumed to have been made to establish eligibility for benefits or assistance under this chapter unless the individual or eligible spouse gives convincing evidence to establish that the transaction was made exclusively for another purpose.

For purposes of this subdivision, the value of a resource or interest is the fair market value when it was sold or given away, less the amount of compensation received.

For any uncompensated transfer, the period of ineligibility shall be calculated by dividing the amount of the uncompensated transferred amount by the statewide average monthly skilled nursing facility payment for the previous calendar year to determine the number of months of ineligibility. The individual shall remain ineligible until this fixed period of ineligibility has expired. The period of ineligibility may exceed 24 months, and a reapplication for benefits after 24 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired.

The period of ineligibility must not be applied if the local agency determines that it would create an immediate threat to the health or safety of the assistance unit.

Sec. 185. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 7. [EXCLUSIONS.] The following must not be included as income in determining eligibility:

- (1) the value of food stamps;
- (2) home-produced food used by the household;
- (3) Indian claim payments made by the United States Congress to compensate members of Indian tribes for the taking of tribal lands by the federal government;
- (4) cash payments to displaced persons who face relocation as a result of the Housing Act of 1965, the Housing and Urban Development Act of 1965, or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (5) one-third of child support payments received by an eligible child from an absent parent;
- (6) displaced homemaker payments;
- (7) reimbursement received for maintenance costs of providing foster care to adults or children;
- (8) benefits received under Title IV and Title VII of the Older Americans Act of 1965;
- (9) Minnesota renter or homeowner property tax refunds;
- (10) infrequent, irregular income that does not total more than \$20 per person in a month;
- (11) reimbursement payments received from the VISTA program;
- (12) in-kind income;
- (13) payments received for providing volunteer services under Title I, Title II, and Title III of the Domestic Volunteer Service Act of 1973;
- (14) loans that have to be repaid;
- (15) federal low income heating assistance program payments;
and
- (16) any other type of funds excluded as income by state law.

The local agency shall exclude the first \$20 of earned or unearned income.

Sec. 186. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 8. [APPLICATION FOR FEDERALLY FUNDED BENEFITS.] Persons for whom the applicant or recipient has financial responsibility and who have unmet needs must apply for, and if eligible, accept aid to families with dependent children and other federally funded benefits before allocation of earned and unearned income from the applicant or recipient to meet the needs of those persons. If the persons are determined potentially eligible for these benefits, the applicant or recipient may not allocate earned or unearned income to those persons.

Sec. 187. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 9. [ALLOCATION OF INCOME.] The rate of allocation for the financially responsible relatives of applicants or recipients is one-half the individual supplemental security income standard of assistance, except as restricted in subdivision 8.

If the applicant or recipient shares a residence with another person who has financial responsibility for the applicant or recipient, the income of the responsible relative must be considered available to the applicant or recipient after allowing the deductions in subdivisions 11 and 12.

Sec. 188. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 10. [EARNED INCOME DISREGARDS.] From the assistance unit's gross earned income, the local agency shall disregard \$65 plus one-half of the remaining income.

Sec. 189. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 11. [EARNED INCOME DEDUCTIONS.] From the assistance unit's gross earned income, the local agency shall subtract work expenses allowed by the supplemental security income program.

Sec. 190. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 12. [SELF-EMPLOYMENT EARNINGS.] A local agency must determine gross earned income from self-employment by subtracting business costs from gross receipts.

Sec. 191. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 13. [RENTAL PROPERTY.] Income from rental property must be considered self-employment earnings for each month that an average of at least ten hours a week of labor is expended by the owner of the property. When no labor is expended, income from rental property must be considered as unearned income and an additional deduction must be allowed for actual, reasonable, and necessary labor costs for upkeep and repair.

Sec. 192. Minnesota Statutes 1986, section 256D.37, is amended by adding a subdivision to read:

Subd. 14. [GROSS INCOME TEST.] The local agency shall apply a gross income test prospectively for each month of program eligibility. An assistance unit is ineligible when nonexcluded income, before applying any disregards or deductions, exceeds 300 percent of the supplemental security income standard for the assistance unit.

Sec. 193. Minnesota Statutes 1986, section 256E.12, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall establish an experimental a statewide program to assist counties in providing services to chronically mentally ill persons with serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c). The commissioner shall make grants to counties to establish, operate, or contract with private providers to provide services designed to help chronically mentally ill persons with serious and persistent mental illness remain and function in their own communities. Grants received pursuant to this section may be used to fund innovative community support services programs, relating to physical fitness programs designed as part of a mental health treatment plan as specified in section 245.462, subdivision 6, and case management activities that cannot be billed to the medical assistance program under section 256B.02, subdivision 8.

Sec. 194. Minnesota Statutes 1986, section 256E.12, subdivision 2, is amended to read:

Subd. 2. To apply for a grant a county board shall submit an application and budget for the use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. A county receiving a grant under this section shall finance at least ten percent of the cost of services for chronically mentally ill persons with serious and persistent mental illness from local resources, which may include private contributions and federal money.

Sec. 195. Minnesota Statutes 1987 Supplement, section 256E.12, subdivision 3, is amended to read:

Subd. 3. The commissioner shall allocate grants under this section to finance up to 90 percent of each county's costs for services ~~for~~ chronically mentally ill to persons with serious and persistent mental illness. The commissioner shall ~~promulgate emergency and permanent rules to govern grant applications, approval of applications, allocation of grants, and maintenance of financial statements by grant recipients.~~ The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the services in helping ~~chronically mentally ill persons with serious and persistent mental illness~~ remain and function in their own communities. ~~The experimental program shall expire no later than June 30, 1989.~~

Sec. 196. Minnesota Statutes 1986, section 256F.03, subdivision 8, is amended to read:

Subd. 8. [PLACEMENT PREVENTION AND FAMILY REUNIFICATION SERVICES.] "Placement prevention and family reunification services" means a continuum of services designed to help children remain with their families or to facilitate reunification of children with their parents. Placement prevention and family reunification services available to a minority family must reflect and support family models that are accepted within the culture of the particular minority.

Sec. 197. [256H.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 256H.01 to 256H.09, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 3. [ELIGIBLE PERSON.] "Eligible person" means an individual who meets the requirements of section 256H.03 and the rules adopted by the commissioner.

Subd. 4. [PROGRAM.] "Program" means the health insurance program for eligible persons administered by the commissioner under sections 256H.01 to 256H.09. The program's name is Minnesota access health plan.

Sec. 198. [256H.02] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commissioner may request bids and negotiate and contract with carriers that the commissioner

determines are best qualified to underwrite and service the health insurance plans. The commissioner may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commissioner may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a plan of coverage. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commissioner considers appropriate. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer a choice of plans available from two or more health plan companies. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the state to a health plan company under sections 256H.01 to 256H.09 are exempt from the tax imposed by section 60A.15 and are not included in a health plan company's premiums for the purposes of assessments under 62E.11.

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other definitions of benefits the commissioner considers necessary or desirable. A contract must provide benefits at least equal to those required by section 62A.32 or 62E.06, subdivision 2.

A contract shall not contain a provision denying coverage for any preexisting conditions.

Sec. 199. [256H.03] [ELIGIBILITY.]

Subdivision 1. [ELIGIBLE PERSONS.] A Minnesota resident may enroll in the program if the resident is not covered either directly or through a family member under:

(1) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, or 62D; or

(2) Medicaid or an employment-based insurance program.

Subd. 2. [REDETERMINATION OF ELIGIBILITY AND PREMIUM.] The commissioner shall redetermine a person's eligibility

and share of the premium every six months while the person is enrolled in the program.

Sec. 200. [256H.05] [PREMIUMS.]

Subdivision 1. [SLIDING FEE.] An eligible person shall pay that person's share of the premium for coverage at the time of enrollment. The enrollee's share of the premium shall be determined by an income-based sliding fee scale adopted by the commissioner in rule. The commissioner shall pay the remainder of the premium. Terms of payment of premiums by the commissioner and enrollee shall be provided in the contract.

Subd. 2. [PAYMENT OF FULL PREMIUM ALLOWED.] A person whose income is greater than 250 percent of the federal poverty income guidelines for a family of the same size must pay the entire premium to receive coverage under the program.

Sec. 201. [256H.06] [ENROLLMENT.]

The time, manner, conditions, and terms of eligibility for enrollment in the program shall be determined by the commissioner in rule.

The rules must ensure that eligible persons who need immediate medical treatment are covered under the program from the time they first seek treatment.

Sec. 202. [256H.07] [EFFECTIVE DATE OF COVERAGE.]

Except as provided by rule for persons who need immediate medical treatment, an eligible person is covered under the program on the date the writing carrier receives the first month's premium. Coverage is retroactive to the date the eligible person enrolled in the program.

Sec. 203. [256H.08] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication may include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commissioner shall devise and implement methods to maintain public awareness of the provisions of sections 256H.01 to 256H.09 and shall administer sections 256H.01 to 256H.09 in a manner that facilitates public participation.

Sec. 204. [256H.09] [IMPLEMENTATION PLAN; REPORT.]

The commissioner, in consultation with the commissioners of health and commerce, three individuals appointed by the chair of the senate health and human services committee, and three individuals appointed by the chair of the house health and human services committee, shall develop a plan to implement the program. The plan must include, but not be limited to:

(1) estimates of the number of people eligible for the program and the costs of the program;

(2) a description of benefits to be offered;

(3) recommendations for methods to determine eligibility and collect premiums;

(4) strategies for contracting and marketing;

(5) strategies to maintain current employer participation in the provision of health care coverage;

(6) strategies to coordinate the program with health care programs such as general assistance medical care, the University Hospital Papers program at the University of Minnesota hospitals, Minnesota comprehensive health association, medical assistance, Medicare, Minnesota catastrophic health expense protection program, and other similar programs;

(7) timelines for implementing the program, with specific implementation plans for the 1989 to 1991 biennium; and

(8) recommendations for legislation to implement the program.

The commissioner shall report to the legislature by November 1, 1988, on the plan to implement the program.

Sec. 205. [257.066] [RULES.]

By December 31, 1989, the commissioner of human services shall revise Minnesota Rules, parts 9545.0750 to 9545.0830 and parts 9560.0500 to 9560.0670, the rules for licensing child-placing agencies. The commissioner shall ensure that, as conditions of licensure, each child-placing agency meet the requirements of section 257.072, subdivisions 5 and 6; and keep records in compliance with sections 257.01 and 259.46.

Sec. 206. Minnesota Statutes 1986, section 257.071, subdivision 2, is amended to read:

Subd. 2. [SIX MONTH REVIEW OF PLACEMENTS.] There shall be an administrative review of the case plan of each child placed in

a residential facility no later than 180 days after the initial placement of the child in a residential facility and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The case plan must be monitored and updated at each administrative review. As an alternative to the administrative review, the social service agency responsible for the placement may bring a petition as provided in section 260.131, subdivision 1a, to the court for review of the foster care to determine if placement is in the best interests of the child. This petition must be brought to the court within the applicable six months and is not in lieu of the requirements contained in subdivision 3 or 4.

Sec. 207. Minnesota Statutes 1986, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of subdivision 4, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within 18 months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, subdivision 1a, to determine if the placement is in the best interests of the child.

The case plan must be updated when a petition is filed and must include a specific plan for permanency.

Sec. 208. Minnesota Statutes 1986, section 257.071, is amended by adding a subdivision to read:

Subd. 7. [RULES.] By December 31, 1988, the commissioner shall revise Minnesota Rules, parts 9545.0010 to 9545.0269, the rules setting standards for family and group family foster care, to reflect sensitivity to cultural diversity and differing lifestyles.

Sec. 209. Minnesota Statutes 1986, section 257.072, is amended to read:

257.072 [RECRUITMENT OF FOSTER FAMILIES WELFARE OF MINORITY CHILDREN.]

Subdivision 1. [RECRUITMENT OF FOSTER FAMILIES.] Each authorized child placing agency shall make special efforts to recruit a foster family from among the child's relatives, except as authorized in section 260.181, subdivision 3, and among families of the same

minority racial or minority ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities, and increasing the number of minority recruitment staff employed by the agency. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Subd. 2. [MINORITY RECRUITMENT SPECIALIST.] The commissioner of human services shall designate a permanent professional staff position for a minority recruitment specialist in the department of human services. The minority recruitment specialist shall provide services to child-placing agencies seeking to recruit minority adoptive and foster care families and qualified minority professional staff. The minority recruitment specialist shall:

(1) develop materials for use by the agencies in training staff;

(2) conduct in-service workshops for agency personnel;

(3) provide consultation, technical assistance, and other appropriate services to agencies wishing to improve service delivery to minority populations;

(4) in cooperation with authorized child-placing agencies, develop a cost-effective campaign using radio and television to recruit minority adoptive and foster families; and

(5) conduct workshops for foster care and adoption recruiters to evaluate the effectiveness of techniques for recruiting minority families.

Upon recommendation of the minority recruitment specialist, the commissioner may contract for portions of these services.

Subd. 3. [MINORITY PLACEMENTS.] Beginning December 1, 1989, the commissioner shall provide to the Indian Affairs Council, the Council on Affairs of Spanish-Speaking People, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans the semi-annual reports required under section 257.0725.

Subd. 4. [CONSULTATION WITH MINORITY REPRESENTATIVES.] The commissioner of human services shall, after seeking and considering advice from representatives from the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226:

(1) review, and where necessary, revise the department of human services social service manual and practice guide to reflect the scope and intent of Laws 1983, chapter 278;

(2) develop criteria for determining whether a prospective adoptive or foster family is "knowledgeable and appreciative" as the term is used in section 260.181, subdivision 3; and

(3) develop and provide to agencies an assessment tool to be used in combination with group interviews and other preplacement activities to evaluate prospective adoptive and foster families of minority children. The tool must assess problem-solving skills; identify parenting skills; and, when required by section 260.181, subdivision 3, evaluate the degree to which the prospective family is knowledgeable and appreciative of racial and ethnic differences.

Subd. 5. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children; and

(4) if located in an area with a significant minority population, have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives.

Subd. 6. [REPORTING REQUIREMENTS.] Each authorized child-placing agency shall provide to the commissioner of human services all data needed by the commissioner for the report required by section 257.0725. The agency shall provide the data within 60 days of the end of the six-month period for which the data is applicable.

Sec. 210. [257.0725] [SEMI-ANNUAL REPORT.]

The commissioner of human services shall publish a semi-annual report on children in out-of-home placement. The report shall include, by county and statewide, information on legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, number of families from the child's own culture in the placement pool during the period for which data is provided, and other demographic information deemed appropriate on all children

in out-of-home placement. The commissioner shall provide the required data for children who entered placement during the previous quarter and for children who are in placement at the end of the quarter. Out-of-home placement includes placement in any facility by an authorized child-placing agency. By December 1, 1989, and by December 1 of each successive year, the commissioner shall publish a report covering the first six months of the calendar year. By June 1, 1990, and by June 1 of each successive year, the commissioner shall publish a report covering the last six months of the calendar year.

Sec. 211. [257.075] [GRANTS FOR SUPPORT SERVICES.]

The commissioner of human services may make grants to authorized child-placing agencies that provide services to minority children in out-of-home placements. Support services may include, but are not limited to:

(1) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(2) advocacy in working with the county and private social service agencies, and activities to help provide access to agency services;

(3) family and community involvement strategies to combat child abuse and chronic neglect of children;

(4) coordinated child welfare and mental health services to minority families;

(5) preadoption, postadoption, and foster care support groups for minority children and prospective adoptive and foster families;

(6) the use of minority foster parents as continuing support for children returned to birth homes;

(7) information, counseling, and support groups to assist minority children approaching age 18 in setting permanent goals for independent living;

(8) minority adolescent support groups for children in long-term foster care, new adoptive placements, and nonminority homes where identity issues threaten the adoptive relationship and adjustment;

(9) services listed at section 256F.07; and

(10) other activities and services approved by the commissioner that further the goals of the minority heritage preservation act.

Sec. 212. Minnesota Statutes 1986, section 260.181, subdivision 3, is amended to read:

Subd. 3. [PROTECTION OF RACIAL OR ETHNIC HERITAGE, OR RELIGIOUS AFFILIATION.] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's minority race or minority ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's minority racial or minority ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets the parent's religious preference.

Sec. 213. Minnesota Statutes 1986, section 268.0111, is amended by adding a subdivision to read:

Subd. 4a. [HOMELESS INDIVIDUAL.] "Homeless individual," or "homeless person" means:

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; or

(2) an individual who has a primary nighttime residence that is:

(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term homeless individual does not include any individual imprisoned or otherwise detained pursuant to federal or state law.

Sec. 214. [268.0124] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to services and determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of jobs and training must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of jobs and training must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 8.31 and 325G.33 to 325G.36 do not apply to these materials. Failure to comply with this section shall not prevent the operation of program laws that are not the subject of the noncomplying materials.

(c) The requirements of this section apply to all materials modified or developed by the commissioner on or after July 1, 1988. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 215. [268.39] [LIFE SKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of life skills and employment plans

for homeless individuals that reside in residential units constructed or rehabilitated under section 462A.05, subdivision 29. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 462A.05, subdivision 29.

A life skill and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 462A.05, subdivision 29. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skill and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 462A.05, subdivision 29.

The application for a grant under this section must include a plan that must provide for:

(1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and

(2) tenant selection and rental policies that insure rental of units to people who are homeless if applicable.

The applicant must provide a proposed occupancy contract if applicable, the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 216. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given:

(a) "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, or in the child's home.

(b) "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

(c) "Commissioner" means the commissioner of human services.

(d) "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

(e) "County board" means the board of county commissioners in each county.

(f) "Education program" means remedial or basic education or English as a second language instruction, high school education, a program leading to a general equivalency diploma, and post-secondary education excluding post-baccalaureate programs.

(g) "Employment program" means employment of recipients financially eligible for the child care sliding fee program, vocational assessment, and job readiness and job search activities.

(h) "Family" means parents, stepparents, guardians, or other caretaker relatives, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and the child or children. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians, or other caregiver relatives residing in the same household.

(i) "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

(j) "Income" means earned or unearned income received by all family members 16 years or older, including public assistance benefits, unless specifically excluded. The following are excluded from income: scholarships and grants that cover costs for tuition, fees, books, and educational supplies; student loans for tuition fees, books, supplies, and living expenses; in-kind income such as food stamps, energy assistance, medical assistance, and housing subsidies; income from summer or part-time employment of 16, 17, and 18 year old full-time secondary school students; and nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid.

(k) "Provider" means the child care license holder or the legal nonlicensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or who functions in the child's home.

(l) "Post-secondary educational systems" means the University

of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education.

~~(k)~~ (m) "AFDC priority groups" means the recipients defined in section 256.736, subdivision 2a.

(4) (n) "AFDC" means aid to families with dependent children.

Sec. 217. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of their allocation. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties. Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy. Counties shall perform a cursory determination of eligibility when a family requests information about child care assistance. A family that appears to be eligible shall be put on a waiting list if funds are not immediately available.

(b) Except for set-aside money allocated under subdivisions 3a, 3b, 3c, and 3d, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. In accordance with the formula found in paragraph (b), the commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 218. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3b, is amended to read:

Subd. 3b. [SET-ASIDE MONEY FOR AFDC PRIORITY

GROUPS.] (a) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months. For each fiscal year the average monthly caseload shall be based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups and for former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) are on a waiting list for the basic sliding fee program.

(b) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(c) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(e) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (1). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

Sec. 219. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3c, is amended to read:

Subd. 3c. [SET-ASIDE MONEY FOR AFDC POST-SECONDARY STUDENTS.] (a) For the fiscal year ending June 30, 1988, set-aside money for persons listed in subdivision 3a, clause (2), shall be allocated to the counties based on caseloads of aid to families with dependent children for the preceding fiscal year, as determined by

the commissioner. For succeeding fiscal years, the commissioner shall, in cooperation with the director of the higher education coordinating board, develop a formula for allocation of the funds to counties based on the number of AFDC caretakers in each county who are enrolled at post-secondary institutions.

(b) Money allocated in paragraph (a) must be used for child care expenses of AFDC recipients attending post-secondary educational programs, excluding post-baccalaureate programs, and making satisfactory progress towards completion of the program.

(c) Once each quarter the commissioner shall review the use of child care fund allocations under this subdivision by county. The commissioner may reallocate unexpended or unencumbered money among those counties that have expended their full portion for the purposes of this subdivision.

(d) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (2). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

(e) Recipients of AFDC who have completed their post-secondary education and had received child care funds during that education shall be assured, to the extent of available resources allocations, of sliding fee money for employment programs after graduation if they meet sliding fee program eligibility standards.

Sec. 220. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3e, is amended to read:

Subd. 3e. [USE OF MONEY.] Money for persons listed in subdivision 3a, clauses (2) and (3), shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. The county may plan for and provided child care assistance to persons listed in subdivision 3a, clauses (2) and (3), from the regular sliding fee fund to supplement the set-aside funds. Financially eligible students provided who have received child care assistance for one academic year shall be provided child care assistance in the following academic year, providing they remain financially eligible if funds allocated under subdivision 3c or 3d are available.

Sec. 221. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

- (1) receive aid to families with dependent children;
- (2) have household income below the eligibility levels for aid to families with dependent children; or
- (3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. If a county maintains a waiting list of applicants for the sliding fee program, it shall place at the top of the list former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) have been employed for 12 months and, during the 12 months, have had their child care needs paid for out of the set-aside money for AFDC priority groups. Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

(e) Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the

12-month period immediately preceding the date of application, whichever provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 222. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 12, is amended to read:

Subd. 12. [FAIR HEARING PROCESS.] (a) Applicants and recipients have the option to request the county to conduct a conciliation conference to attempt to resolve complaints arising from any of the following actions:

- (1) a determination of ineligibility for child care assistance;
- (2) unauthorized termination of child care assistance;
- (3) determination of the factors considered in setting the family fee; and
- (4) income redetermination resulting in change of a family fee.

(b) The county shall notify the applicant or the recipient, in writing, of any adverse action. The determination described in paragraph (a), clauses (1) and (3), must include written notice of the applicant's or recipient's right to the election described in paragraph (c), where and how to request the election, the time limit within which to make the request, and the reasons for the determination. Notice of the proposed actions described in paragraph (a), clauses (2) and (4), must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county proposes to take, the effective date of the proposed action, the reasons for the proposed action, the necessary corrective measures, the option to request either a conciliation conference or an administrative hearing, where and how to make the request, the time limits within which a request must be made, and the consequence of the action.

(c) An applicant or recipient who receives a determination or notice of proposed action under paragraph (b) must mail or deliver either a written notice of request for a conciliation conference to the administering agency or a written notice of request for the hearing specified under paragraph (e) to the administering agency on or before the effective date of the proposed action or the date specified in the notice, or the action will be final.

(d) The county shall provide a conciliation conference within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the conference date. The applicant or recipient and the county's representative have the right to appear, to bring witnesses, and to submit documentation. The written request and the resolution, if any, of the conference shall be maintained as part of the official record. The county's representative shall issue a written resolution only if mutual agreement is reached between the county's representative and the applicant or recipient. The resolution must be signed by both parties and issued the same day as the conciliation conference is held. Participating in a conciliation conference or signing a resolution does not constitute a waiver of the right to an administrative hearing.

An applicant or recipient may, within 15 calendar days of the conference, mail or deliver a written request to the administering agency for an administrative hearing. Unless an appeal is requested, a determination, proposed action, or resolution of a conciliation conference will be final after the 15-day period has passed.

(e) A fair hearing shall be conducted in the manner prescribed by section 268.10, subdivision 3. A right to review will be provided in accordance with section 268.10, subdivision 5. The proposed action will not take effect until the appeal is decided by the administrative hearing process.

(a) An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045, subdivision 3.

(b) The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and shall in no way delay or replace the right to a fair hearing.

Sec. 223. Minnesota Statutes 1986, section 268.911, subdivision 3, is amended to read:

Subd. 3. [PROGRAM SERVICES.] The commissioner may make grants to public or private nonprofit entities to fund child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area.

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of

the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program. The file may also include program information and special needs services.

(b) Each program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A program may collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each program shall have available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) A program may provide technical assistance to existing and potential providers of all types of child care services and employers. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served; ~~and~~

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Public or private entities may apply to the commissioner for funding. The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is \$60,000 per year. A local match of up to 25 percent is required.

Sec. 224. Minnesota Statutes 1986, section 326.371, is amended to read:

326.371 [BAN ON LEAD IN PLUMBING.]

Lead pipe, solders, and flux containing more than 0.2 percent lead, and pipes and pipe fittings containing more than eight percent lead shall not be used in any plumbing installation which conveys a potable water supply. A Minnesota seller of lead solder, except for a seller whose primary business is contracting in plumbing, heating, and air conditioning, shall not sell any solder containing 0.2 percent lead unless the seller displays a sign which states,

"Contains Lead

Minnesota law prohibits the use of this solder in any plumbing installation which is connected to a potable water supply."

Sec. 225. Minnesota Statutes 1987 Supplement, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) ~~The county welfare board shall participate in a food stamp quality control system subject to the supervision of the commissioner of human services and pursuant to federal regulations.~~

A person who commits any of the following acts has violated section 256.98 and is subject to both the criminal and civil penalties provided under that section:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

Sec. 226. Minnesota Statutes 1987 Supplement, section 393.07, is amended by adding a subdivision to read:

Subd. 11. [TRANSFER OF COUNTY FOOD STAMP QUALITY CONTROL SYSTEM EMPLOYEES.] All positions covered by the Minnesota merit system located in Crow Wing county family social service center and in Redwood county welfare department classified as food stamp corrective action specialist I and II and as financial assistant supervisor I, if such positions supervise food stamp corrective action specialists, shall be transferred to the department of human services and become state civil service positions.

All incumbent employees affected by this transfer, who choose to transfer to state civil service positions in the department of human services, shall be transferred with no reduction in salary. Salaries of individual employees who transfer shall be adjusted to the minimum salary or to the nearest equal or higher step on the state compensation plan for their class, whichever is greater.

Existing sick leave and vacation accruals for an employee who transfers, shall be transferred to the department of human services and the employee shall accrue additional vacation and sick leave under the provisions of the appropriate state collective bargaining agreement based on the employee's years of service in either Crow Wing county family service center or in Redwood county welfare department.

If an employee who transfers chooses to retain the county coverage for employee and dependent health, dental, and life insurance, the department of human services shall reimburse the employee for one month of continued enrollment in the health, dental, and life insurance plans in an amount equal to what the employee's former county employer would have paid for the coverage had the employee remained a county employee, until the employee is eligible for the coverage under the state insurance plans.

Classification seniority for an employee who transfers will be calculated according to the provisions of the appropriate state collective bargaining agreement and based upon the employee's years of service in the county merit system.

Sec. 227. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 29. [HOUSING GRANTS FOR HOMELESS INDIVIDUALS.] The agency may provide grants to eligible mortgagors for the purpose of purchasing, rehabilitating, and constructing housing for homeless individuals as defined in section 268.0111, subdivision 4a. The agency may determine the conditions, if any, under which all or a portion of the grant will be repaid and appropriate security, if any, for repayment of the grant. In establishing this grant program, the agency must consult the commissioner of jobs and training. The applicant must consult with advocates for the homeless, representatives from neighborhood groups and representatives of labor organizations in preparing the proposal.

Grants awarded under this section may not exceed \$25,000 per residential unit. Priority must be given to viable proposals with the lowest total cost. Applicants must consider the use of donated or leased, abandoned or empty dwellings owned by a public entity including, but not limited to, a housing redevelopment authority, community development authority, public housing authority, the federal Department of Housing and Urban Development, or the Farmers Home Administration. Any residential unit purchased, rehabilitated, or constructed under this section must be allocated in the following order:

- (1) homeless families with at least one dependent,
- (2) other homeless individuals,
- (3) other very low income families or individuals whose incomes are equal to or less than 30 percent of the median income for the Minneapolis-St. Paul metropolitan area, and
- (4) families or individuals that receive public assistance and do not qualify in any other priority group.

Proposals must include a plan for (a) maintaining the ownership of the property and managing the dwelling for rental to homeless individuals and families and very low income families; (b) selling rehabilitated dwellings to homeless individuals and families or very low income families; or (c) for selling, leasing, or conveying to organizations that will manage the dwelling for rental to homeless individuals and families and very low income families. These organizations may include organizations awarded grants under

section 268.39. The homeless individuals or families or very low income families that may purchase dwellings under (b) must have incomes that are equal to or less than 30 percent of the median income for the Minneapolis-St. Paul metropolitan area.

Eligible mortgagors must demonstrate that the grants awarded under this section will not exceed 50 percent of the project's total cost. A project's total cost includes, but is not limited to, acquisition costs, rehabilitation costs, and related costs. In cases where the property is donated, the acquisition costs are the prerehabilitated estimated market value as established for property tax purposes. Donated property may be used to satisfy the match requirement.

Sec. 228. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 462A.05, subdivision 29, and may pay the costs and expenses for the development and operation of the program.

Sec. 229. Minnesota Statutes 1986, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

- (1) Engages in brawling or fighting; or
- (2) Disturbs an assembly or meeting, not unlawful in its character; or
- (3) Engages in offensive, obscene, or abusive language or in boisterous and noisy conduct tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure.

Sec. 230. Minnesota Statutes 1986, section 611A.32, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM FOR AMERICAN INDIAN WOMEN.] The commissioner shall establish at least one program under this section to provide emergency shelter services and support services to battered American Indian women. The commissioner shall grant continuing operating expenses to the program established under

this subdivision in the same manner as operating expenses are granted to programs established under subdivision 1.

Sec. 231. Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended by Laws 1987, chapter 75, section 1, is amended to read:

Subdivision 1. [RESTRICTED CONSTRUCTION OR MODIFICATION.] Through June 30, 1990, the following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied prior to the date of enactment of this act if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the

reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site prior to the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another, or (iii) redistribution of hospital beds within the state or a region of the state; ~~or~~

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building; or

(9) construction by a psychiatric hospital in Rice county which primarily serves adolescents and which receives more than 70 percent of its patients from outside the state of Minnesota.

Sec. 232. Laws 1987, chapter 337, section 131, is amended to read:

Sec. 131. [REPEALER.]

Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3, are repealed.

Minnesota Rules, parts 2700.2400; 2700.2410; 2700.2420; 2700.2430; and 2700.2440, are repealed.

~~Section 123 is repealed effective July 1, 1988, if the project implementation phase has not begun by that date.~~

Sec. 233. Laws 1987, chapter 403, article 2, section 34, is amended to read:

Sec. 34. [245.48] [MAINTENANCE OF EFFORT.]

Counties must continue to spend for mental health services according to generally accepted budgeting and accounting principles an amount equal to the total expenditures shown in the county's approved 1987 Community Social Services Act plan under "State CSSA, Title XX and County Tax" for services to persons with mental illness plus the total comparable figure for Rule 5 facilities under

target populations other than mental illness in the approved 1987 CSSA plan.

Sec. 234. Laws 1987, chapter 403, article 4, section 13, is amended to read:

Sec. 13. [STUDY AND REPORT.]

(a) The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

(b) In addition to the issues in paragraph (a), the interagency board shall study and make recommendations concerning the policy and fiscal impact of the changes made in Public Law Number 100-203 relating to the elimination of the intermediate care facility certification level in 1990. The interagency board shall consider at least the following: the need for continuation of the services currently offered by certified boarding care home beds, the need for additional beds in state licensed nursing homes, the fiscal impact associated with the reconstruction or replacement of facilities that do not meet nursing home standards, the costs of establishing an alternative funding source for the payment of services currently provided in these facilities, and the need to promulgate licensure standards. If the interagency board recommends that facilities be licensed as nursing homes, the interagency board shall recommend specific procedures for the granting of the licenses and identify methods for the licensing or funding of facilities that may be considered out of compliance with federal law on October 1, 1990. The board shall provide recommendations to the legislature for legislative changes that are necessary to implement the board's recommendations. The costs associated with the board's recommendations must be provided to the commissioner of human services and included in the medical assistance forecast and the agency budget requests for the biennium ending June 30, 1991.

Sec. 235. [MEDICAL SCREENING.]

The commissioner of health shall conduct a medical screening of a sample of people and family members of people who were employed at the Conwed Corporation plant in Cloquet, Minnesota,

from January 1, 1958 to December 31, 1974. The purpose of the screening is to study the existence of asbestos-related diseases among people employed at the plant during that time, evaluate their health care needs, and provide medical and scientific data to coordinate future health screening, counseling, and treatment activities among these people and their families.

Sec. 236. [EXPERTS.]

The commissioner of health may contract with local, state, or nationally recognized experts in the diagnosis and treatment of asbestos-related diseases for medical examinations of workers, scientific evaluations of data and consultations on the screening results.

Sec. 237. [REPORT AND RECOMMENDATIONS.]

The commissioner of health shall present a report and recommendations to the legislature on or before March 1, 1989, based on the findings of the medical screenings specified above. The report shall address, but not be limited to:

(1) the actual and estimated extent and risks of asbestos-related disease among the people screened;

(2) the types of counseling and prevention services that the people screened may need and the methods of administering the services; and

(3) the estimated cost and effectiveness of screening, counseling, and preventive services for people described in section 235 who were not included in the sample of people screened.

Sec. 238. [ENVIRONMENTAL HEALTH FEE ACCOUNT.]

The environmental health fee account is created as a special account in the state treasury. Beginning January 1, 1989, money in the account is continuously appropriated to the commissioner of health to pay for the salaries of positions and expenses related to inspection, licensing, and enforcement activities under Minnesota Statutes, chapters 157 and 327.

Sec. 239. [INCREASE IN FEES.]

For licenses issued for 1989 and succeeding years, the commissioner of health shall increase license fees for facilities licensed under chapters 157 and 327 to a level sufficient to recover all expenses related to the licensing, inspection, and enforcement activities prescribed in those chapters. In calculating the fee increase, the commissioner shall include the salaries and expenses of

5.5 new positions required to meet the inspection frequency prescribed in Minnesota Statutes, section 157.04. An amount sufficient to cover the costs associated with the new positions shall be deposited in the environmental health fee account.

Sec. 240. [RULE CHANGES.]

The commissioner of jobs and training shall adopt rule amendments to Minnesota Rules, chapter 3300, including changes in the allocation formula for funds appropriated for extended employment programs, as necessary to effect the changes required by the legislature in sections 129A.01, subdivisions 5, 6, and 7; 129A.02, subdivision 3; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 4a, and 5; 129A.09; and 129A.10.

This rule is exempt from the rulemaking provisions of Minnesota Statutes, chapter 14. The commissioner must comply with Minnesota Statutes, section 14.38, subdivision 7, when adopting this rule amendment.

Sec. 241. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute in chapter 129A the term "rehabilitation facility" for the terms "long-term sheltered workshop," "workshop," or "sheltered workshop" in the form appropriate for the context.

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute in chapter 129A the term "extended employment program participant" for the term "sheltered employee" in the form appropriate for the context.

The revisor shall make the substitutions required by this section in other places in Minnesota Statutes where the terms appear if they refer to the subject matter covered by chapter 129A.

Sec. 242. [LOCAL INCOME ASSISTANCE FROM FEDERAL FOOD STAMPS.]

To the extent of available appropriations, the commissioner of human services shall contract with community outreach programs to encourage participation in the food stamp program of seniors, farmers, veterans, unemployed workers, low-income working heads of households, battered women residing in shelters, migrant workers, families with children, and other eligible individuals who are homeless. For purposes of this section, "homeless" means that the individual lacks a fixed and regular nighttime residence or has a primary nighttime residence that is:

- (1) a publicly supervised or privately operated shelter, including a

welfare hotel or congregate shelter, designed to provide temporary living accommodations;

(2) an institution that provides a temporary residence for individuals who will be institutionalized;

(3) a temporary accommodation in the residence of another individual; or

(4) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The commissioner shall seek federal money to equally match or supplement any state money used for grants and contracts under this section. The commissioner shall convene an advisory committee to help establish criteria for awarding grants, to make recommendations regarding grant proposals, to assist in the development of training and educational materials, and to participate in the evaluation of grant programs. The grantees shall provide training for program workers, offer technical assistance, and prepare educational materials. Grantees must demonstrate that grants were used to increase participation in the food stamp program by creating new outreach activities, and not by replacing existing activities. No more than five percent of the appropriation for community outreach programs shall be used by the commissioner for the department's administrative costs. The rulemaking requirements of Minnesota Statutes, chapter 14 do not apply to the procedures used by the commissioner to request and evaluate grant proposals and to award grants and contracts under this section. Distribution of grant money must begin within three months after any transfer of funds from the commissioner of health to the commissioner of human services.

Sec. 243. [FINDINGS.]

The legislature finds that a significant number of state residents do not have access to adequate health care because they cannot afford the cost of health insurance coverage, are not eligible for government health care programs, and are not covered by any government subsidized or employment-based insurance. These residents are often hard working Minnesotans whose wages are not sufficient to pay for health insurance premiums. They are farmers, small business owners, minor children, and elderly persons.

The legislature further finds that the very poor receive subsidized care through medical assistance programs and that most residents who do have health insurance or coverage through a health maintenance organization are covered through employment-based insurance.

The legislature further finds that although charity health care

plays an important role in providing access to health care for persons without access to adequate health care, charity health care cannot continue to provide for the health care needs of these persons as their population continues to grow.

The legislature finds that to assure the continued health and welfare of these persons, it is necessary and desirable to establish a state administered health insurance program. The program shall provide coverage comparable to the coverage provided to state of Minnesota employees. To minimize the fiscal impact to the state in administering such a program, the program must require financial participation from those who are covered based on their ability to pay.

Sec. 244. [TRANSFER FOR ENVIRONMENTAL LABORATORY CERTIFICATION PROGRAM.]

An amount equal to the appropriation from the special revenue fund to the commissioner of health for implementation of the environmental laboratory certification program must be transferred from the laboratory certification account to the special revenue fund by June 30, 1992.

Sec. 245. [DEMONSTRATION PROJECT.]

The commissioner of human services shall establish a demonstration project to increase the independence of people with epilepsy by providing training in independent living. The commissioner shall award a grant for the demonstration project to a nonresidential program that provides medical monitoring and living skills training to people with epilepsy who live independently. The grant awarded under this section shall be used for salaries, administration, transportation, and other program costs.

Sec. 246. [EVALUATION; REPORT.]

The developmental disabilities planning section of the state planning agency shall consult with the commissioner of human services and shall evaluate the effectiveness of the demonstration project in increasing independence of the people with epilepsy who are served by the project. By December 1, 1989, the developmental disabilities planning section shall present a report to the legislature with the evaluation and a recommendation on whether there is a need to continue or expand the program.

Sec. 247. [PURPOSE FOR MINNESOTA INSTITUTE FOR ADDICTION AND STRESS RESEARCH.]

To place Minnesota in a leadership role for neurobiological research of addictive disorders and stress-related diseases, the

legislature finds it necessary to establish a research institute dedicated to clinical and basic scientific investigation of addictive disorders and stress-related diseases. Because of the critical relationship between addictive and stress-related disorders, the institute will study the neurobiological origins of stress and will investigate and develop therapies for other stress-related medical disorders that are not responsive to available medical therapies. Regarding addictive disorders, the institute's primary objective is to develop and test new scientifically based therapy to reduce the rate of recidivism in the addicted population and lower the costs of therapy. Furthermore, the institute will stimulate and attract significant new research activity to Minnesota.

Sec. 248. [LEAD CONTAMINATION; DEMONSTRATION PROJECTS.]

The department of health shall fund and participate in a two-year demonstration project to be undertaken by an organization serving a population at risk from lead contamination to monitor blood lead levels in pregnant women, provide information to pregnant patients about how to avoid high blood lead levels, and to provide intervention for pregnant patients whose blood lead levels exceed 12 micrograms per deciliter. The purpose of the project is to establish an effective prototype method of monitoring, education, and intervention to prevent or reduce high blood lead levels in pregnant women. By November 1, 1990, the center and the department shall report to the legislature on the outcome of the project.

The department shall also fund a project for the purpose of demonstrating the impact on blood lead levels in children, of soil, dust, paint, and interior and exterior lead cleanup and use of educational materials on proper handling of lead paint removal and cleanup. The project must be undertaken by a community based organization and must include:

(1) neighborhood involvement and an educational community outreach component;

(2) a cost-benefit analysis;

(3) planning for a centrally located information and educational center to serve the community; and

(4) a final evaluation on the effectiveness of the project based on routes of exposure, statistical design of the project, and geographical distribution. The project must include cleanup of lead contamination in a targeted portion of a neighborhood with known lead contamination. Cleanup includes soil removal and replacement, landscaping and removal of loose paint. The department shall test children who reside in the project area before cleanup and one year following cleanup for blood lead levels. The evaluation required as

part of the project must be presented to the legislature by January 1, 1990.

Sec. 249. [APPROPRIATION.]

Subdivision 1. The amounts provided in this section are appropriated from the money received before or after the effective date of this section by the governor, the commissioner of finance, or any other state agency as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F.Supp. 586 (D. Kan. 1983) and all other money received after the effective date of this section by any of those entities or agencies, resulting from overcharges by oil companies in violation of federal law.

Subd. 2. One-half of the money received is appropriated to the commissioner of jobs and training for the purposes of the low-income weatherization assistance program.

Subd. 3. \$281,913 is appropriated to the commissioner of administration, for the purposes of a grant to the Lake Isabella Environmental Learning Center. The grant must be used for the installation and operation of a wood burning central heating system located in a manner that allows people to observe and study the usefulness of eliminating the use of fossil fuels as a heat source. The commissioner may enter into an appropriate grant agreement to carry out the terms of the grant.

Subd. 4. \$230,000 is appropriated to the commissioner of administration for the purposes of a grant to the environmental learning center at the Battle Creek Magnet school of the St. Paul school system. The grant must be used for the installation of a Photovoltaic cell project that can be demonstrated to persons in the metropolitan area.

Subd. 5. The remainder of the money referred to in subdivision 1 and not appropriated by subdivision 2, 3, or 4, is appropriated to the legislative commission on Minnesota resources for the purposes of grants to local units of government, school districts, post-secondary institutions, nonprofit organizations, and other individuals and business entities for research resulting in decreased dependence on fossil fuels and for technology transfer projects with the same purpose.

Sec. 250. [PROPOSED RULES SUSPENDED.]

Regulations governing staff ratios in day care centers and educational requirements for day care center staff that are in effect on

January 1, 1988, remain in effect until July 1, 1989. Proposed amendments to the rules are suspended until that date.

Sec. 251. [REPEALER.]

Subdivision 1. Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; 246.023, subdivisions 2, 3, 4, and 5; and 257.071, subdivision 6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10, are repealed.

Subd. 2. Section 242 is repealed effective July 1, 1990.

Sec. 252. [EFFECTIVE DATE.]

Subdivision 1. Sections 7, 14, 16, and 18 apply to any policy, plan, or contract issued or renewed on or after the date following final enactment.

Section 17 is effective the day after final enactment except that in the case of a plan maintained under one or more collective bargaining agreements between employee representatives and one or more employers ratified on or before April 7, 1986, section 17 is effective on the earlier of:

(1) the date on which the last of the collective bargaining agreements under which the plan is maintained, which were in effect on April 7, 1986, ends without regard to any extension of the agreement agreed to after April 7, 1986; or

(2) April 7, 1989.

Subd. 2. The changes in section 138, subdivision 1, clauses (6) and (13), are effective February 1, 1989.

Subd. 3. Sections 181 to 192 are effective February 1, 1989.

Subd. 4. Sections 19 to 26, 28 to 32, 240, and 241 are effective the day following final enactment and apply to allocations of funds appropriated for the extended employment programs administered under Minnesota Statutes, chapter 129A, made after July 1, 1988.

Subd. 5. Changes to Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, clause (1), in section 40, are effective the day following final enactment.

Subd. 6. Sections 6, 33, 38 to 44, 55, 104 to 106, 234, 239, and 249 are effective the day after final enactment.

Subd. 7. Sections 144 and 145 are effective upon receiving approval of the health care financing administration.

Subd. 8. Sections 225 and 226 are effective June 1, 1989.

Subd. 9. Sections 245 and 246 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for human resources and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding subdivisions; 144.125; 144A.04, by adding a subdivision; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023; 248.07, subdivision 7 and 12; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F.03, subdivision 8; 257.071, subdivisions 2 and 3, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.911, subdivision 3; 326.371; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 16B.61, subdivision 3; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, and 5, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, 7, and 8; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 245A.09, by adding a subdivision; 248.07, subdivision 8; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, sub-

division 4; 256B.433, subdivision 1; 256B.501, subdivision 1; 256B.73, subdivision 2, and by adding a subdivision; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; 393.07, subdivision 10, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, article 2, section 34; Laws 1987, chapter 403, article 4, section 13; Laws 1987, chapter 403, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 152A; 157; 179A; 245; 246; 252; 256; 256B; 256H; 257; and 268; repealing Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; and 257.071, subdivision 6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1861, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature finds that access to continuous and uninterrupted health care coverage is necessary for citizens of Minnesota enrolled in health care plans. While Minnesota law requires conversion policies for members of group health plan contracts, no similar right is extended to holders of individual contracts.

The legislature finds it necessary for individual health care coverage policyholders to immediately be afforded the same protections as group contract holders. The legislature further finds that a legal requirement is necessary to protect the access to health care coverage for the citizens of Minnesota who hold individual health care contracts. In view of continuing uncertainty in the marketplace, the legislature finds it necessary to impose this legal requirement on all existing individual contracts the day after enactment, so that no other consumers face a threat to their health care coverage.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate

may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 3. Minnesota Statutes 1986, section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every health maintenance organization enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance~~ or contract. The health maintenance organization or its designated representative shall issue the evidence of coverage or contract.

Subd. 2. No evidence of coverage or contract, or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or contract or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following. The statement must be in bold print and captioned "Important Consumer Information and Enrollee Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of health maintenance organization) providers.

(3) REFERRALS: Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not

covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers; and

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from

employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Subd. 5. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. Individual health maintenance organization contracts shall clearly state the existence of the grace period.

Subd. 6 5. Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Subd. 6. The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.

Subd. 7. The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. Individual and group contract holders shall be given 30 days' advance, written notice of any change in subscriber fees or benefits.

Subd. 9. Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 4. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during

the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) A separate report addressing health maintenance contracts sold to individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 5. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Sec. 6. Minnesota Statutes 1986, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report; (3) the current evidence of coverage or contract; and (4) a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. Health maintenance organizations which issue contracts to persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:

(1) a description of the principal benefits and coverage provided in the contract;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits.";

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

(5) a statement that the outline of coverage is a summary of the contract issued or applied for and that the contract should be read to determine governing contractual provisions; and

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must contain identification of the health maintenance organization including the name, address, and telephone number; the telephone

number to call to receive authorization for emergency care; and the telephone number to call if an enrollee has a complaint.

Subd. 6. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request. Health maintenance organizations need not provide the names of their employed providers.

Subd. 7. Any list of providers issued by the health maintenance organization shall include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

“Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients.”

Subd. 8. Any written marketing materials, excluding billboards, must state in bold print: “THIS IS ONLY A SUMMARY OF THE (name of health maintenance organization) PROGRAM. YOU MUST READ YOUR CONTRACT FOR A DETAILED EXPLANATION OF BENEFITS, COSTS, EXCLUSIONS, ELIGIBILITY, AND COVERAGE.”

Sec. 7. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship ~~except by reason of an entry of a valid decree of dissolution of marriage between the parties.~~

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section~~ sections 62A.146

and 9, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage, ~~if the decree requires the enrollee to provide continued coverage for those persons.~~ The coverage ~~may~~ shall be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 8. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Enrollees who have individual health maintenance organization contracts and who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization if an agreement with an insurer can reasonably be made, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, or, if such enrollees are covered by Title XVIII of the Social Security Act (Medicare), they shall be given the option of a Medicare supplement plan as provided by sections 62A.31 to 62A.35.

This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

If a health maintenance organization cannot make arrangements for conversion coverage, the health maintenance organization shall notify enrollees of health plans available in other service areas.

Sec. 9. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract, which in addition to covering the enrollee also provides coverage to the spouse and dependent children of the enrollee shall: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected; or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for such coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for ~~three~~ five years and the commissioner of health shall have access to the records.

Sec. 11. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 8; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 8; (f) failure to make copayments required by the health care plan; or (g) other

reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 12, subdivision 1, shall receive 90 days notice as provided under section 12, subdivision 5.

Sec. 12. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage in a service area, the replacement coverage shall be health maintenance organization coverage issued by the health maintenance organization terminating coverage unless the health maintenance organization can demonstrate to the commissioner that offering health maintenance organization replacement coverage would not be feasible. In making the determination, the commissioner shall consider (1) loss ratios and forecasts, (2) lack of agreements between health care providers and the health maintenance organization to offer that product, (3) evidence of anticipated premium needs compared with established rates, (4) the financial impact of the replacement coverage on the overall financial solvency of the plan, and (5) the cost to the enrollee of health maintenance organization replacement coverage as compared to cost to the enrollee of the replacement coverage required under subdivision 3 of this section.

Subd. 3. If replacement coverage is not provided by the health maintenance organization, as explained under subdivision 2, the replacement coverage shall provide, for enrollees covered by Title XVIII of the Social Security Act, coverage at least equivalent to a Medicare supplement two plan as defined in section 62A.34, except that the replacement coverage shall also cover the liability for any Medicare Part A and Part B deductible as defined under Title XVIII of the Social Security Act. After satisfaction of the Medicare Part B deductible, the replacement coverage shall be based on 120 percent of the Medicare Part B eligible expenses less the Medicare Part B payment amount. The fee or premium of the replacement coverage shall not exceed the premium charged by the state comprehensive

health plan as established under section 62E.08, for a qualified Medicare supplement plan. All enrollees not covered by Medicare shall be given the option of a number three qualified plan or a number two qualified plan as defined in section 62E.06, subdivisions 1 and 2, for replacement coverage. The fee or premium for a number three qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number three qualified plan of insurance in force in Minnesota. The fee or premium for a number two qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two qualified plan of insurance in force in Minnesota.

If the replacement coverage is health maintenance organization coverage, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered.

Subd. 4. The commissioner will approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization must provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (e), and 5.

Subd. 6. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance

organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract.

Sec. 13. [62D.122] [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of health. The commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

(1) the number of enrollees affected,

(2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,

(3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute, and

(4) the time remaining until termination of the provider contract.

When mediation is ordered by the commissioner, the dispute shall be submitted to the office of administrative hearings for mediation. Costs of the mediation shall be borne by the health maintenance organization and the providers.

Sec. 14. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a

separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a ~~reasonable time~~ 15 days within which to ~~remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination.~~ Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 15. Minnesota Statutes 1986, section 62D.17, is amended by adding a subdivision to read:

Subd. 6. [FULL PAYMENT REQUIRED; INTEREST ON UNPAID CHARGES.] A health maintenance organization shall provide payment consistent with contractual requirements to any participating pharmacy for services rendered as part of a contract with the organization. Clean claims, as defined in Code of Federal Regulations, title 42, section 447.45(d) must be paid within 30 days of acceptance of the claim or be subject to interest charged at the rate established by the commissioner of revenue under section 270.75.

Sec. 16. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 17. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; (d) a materially false statement or misrepresentation by the enrollee in the application for membership; or (e) a loss of providers in a health maintenance organization service area; and does not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivision 1, paragraph (e), and section 21. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 18. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivision 1, paragraph (e), and section 21, will be liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions will be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 19. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; and

(e) If the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 12, subdivision 3, was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(f) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 20. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application except as provided under subdivisions 4 and 5, and section 21.

Sec. 21. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 12, subdivision 3, was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 18.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 22. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting

restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 23. [COMMISSION ON HEALTH PLAN REGULATORY REFORM.]

The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Sec. 24. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 13 is repealed June 30, 1990.

Sec. 25. [EFFECTIVE DATE.]

Sections 11, 12, 13, 17, 18, 19, 20, 21, and 22 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO

cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; allowing for mediation of disputes about health maintenance organization agreements; allowing interest on unpaid charges; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2; 62D.17, subdivision 1, and by adding a subdivision; 62D.20; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes; chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2126 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1861 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Anderson, G., for the Committee on Appropriations, introduced:

H. F. No. 2788, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; providing for certain funds, accounts, and fees; amending Minnesota Statutes 1986, sections 174.32, subdivision 2; 473.386, by adding a subdivision; and 611A.71, subdivisions 1 and 4; Minnesota Statutes 1987 Supplement, sections 171.29, subdivision 2; and 473.17; Laws 1987, chapter 358, section 2, subdivisions 1 and 7; proposing coding for new law in Minnesota Statutes, chapter 138.

The bill was read for the first time and laid over one day.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 2306.

H. F. No. 2306, A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1987 Supplement, sections 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

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.	Greenfield	Lasley	Orenstein	Simoneau
Anderson, R.	Gruenes	Lieder	Otis	Skoglund
Battaglia	Gutknecht	Long	Ozment	Solberg
Bauerly	Hartle	Marsh	Pappas	Sparby
Beard	Haukoos	McDonald	Pauly	Steensma
Begich	Heap	McEachern	Pelowski	Sviggum
Bennett	Himle	McKasy	Peterson	Swenson
Bertram	Hugoson	McLaughlin	Poppenhagen	Thiede
Blatz	Jacobs	McPherson	Price	Tjornhom
Boo	Jaros	Milbert	Quinn	Tompkins
Brown	Jefferson	Miller	Quist	Trimble
Burger	Jennings	Minne	Redalen	Tunheim
Carlson, D.	Jensen	Morrison	Reding	Uphus
Carlson, L.	Johnson, R.	Munger	Rest	Valento
Carruthers	Johnson, V.	Murphy	Rice	Vellenga
Clark	Kahn	Nelson, C.	Richter	Voss
Clausnitzer	Kalis	Nelson, D.	Riveness	Wagenius
Cooper	Kelly	Nelson, K.	Rodosovich	Waltman
Dauner	Kelso	Neuenschwander	Rose	Welle
Dawkins	Kinkel	O'Connor	Rukavina	Wenzel
DeBlicke	Kludd	Ogren	Sarna	Winter
Dempsey	Knickerbocker	Olsen, S.	Schafer	Wynia
Dille	Knuth	Olson, E.	Scheid	Spk. Vanasek
Dorn	Kostohryz	Olson, K.	Seaberg	
Forsythe	Krueger	Omann	Segal	
Frederick	Larsen	Onnen	Shaver	

The bill was passed and its title agreed to.

SPECIAL ORDERS

H. F. No. 1526 was reported to the House.

Bauerly and Uphus moved to amend H. F. No. 1526, the first engrossment, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1986, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.]

(a) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically handicapped person, and (3) displays both physically-handicapped license plates and a physically-handicapped certificate issued under section 169.345, subdivision 3. After July 31, 1985,

(c) Motor vehicle does not include a ~~three-wheel off road~~ an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in clause (b), or (2) that if the ~~three-wheel off road an all-terrain vehicle~~ was licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter."

Renumber the remaining sections

Page 3, delete line 4 and insert "Section 1 is effective the day following final enactment. Sections 2 and 3 are effective July 1, 1988."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "defining motor vehicle;"

Page 1, line 4, delete "section" and insert "sections 168.011, subdivision 4; and"

The motion prevailed and the amendment was adopted.

H. F. No. 1526, A bill for an act relating to transportation; defining

motor vehicle; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Omann	Schreiber
Battaglia	Greenfield	Larsen	Onnen	Seaberg
Bauerly	Gruenes	Lasley	Orenstein	Segal
Beard	Gutknecht	Lieder	Osthoff	Shaver
Begich	Hartle	Long	Otis	Simoneau
Bennett	Haukoos	Marsh	Ozment	Skoglund
Bertram	Heap	McDonald	Pappas	Solberg
Bishop	Himle	McEachern	Pauly	Sparby
Blatz	Hugoson	McKasy	Pelowski	Steensma
Boo	Jacobs	McLaughlin	Peterson	Sviggum
Brown	Jaros	McPherson	Poppenhagen	Swenson
Burger	Jefferson	Milbert	Price	Thiede
Carlson, D.	Jennings	Miller	Quinn	Tjornhom
Carlson, L.	Jensle	Minne	Quist	Tompkins
Carruthers	Johnson, A.	Morrison	Redalen	Trimble
Clark	Johnson, R.	Munger	Reding	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rest	Uphus
Cooper	Kahn	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
Dille	Kludt	Ogren	Rukavina	Welle
Dorn	Knickerbocker	Olsen, S.	Sarna	Wenzel
Forsythe	Knuth	Olsen, E.	Schafer	Winter
Frederick	Kostohryz	Olson, K.	Scheid	Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

The Speaker called Long to the Chair.

H. F. No. 1469, A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, sections 169.80, subdivision 1; and 169.81, 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 93 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Battaglia	Forsythe	Knickerbocker	Onnen	Seaberg
Bauerly	Frederick	Knuth	Orenstein	Segal
Beard	Greenfield	Kostohryz	Otis	Shaver
Begich	Gruenes	Krueger	Ozment	Steensma
Bertram	Gutknecht	Larsen	Pappas	Swenson
Blatz	Heap	Lieder	Pauly	Tjornhom
Boo	Himle	Long	Pelowski	Tompkins
Brown	Hugoson	Marsh	Peterson	Trimble
Burger	Jacobs	McDonald	Price	Tunheim
Carlson, L.	Jefferson	McEachern	Redalen	Uphus
Carruthers	Jensen	McKasy	Reding	Valento
Clark	Johnson, A.	McLaughlin	Rest	Vellenga
Clausnitzer	Johnson, R.	Murphy	Rice	Wagenius
Cooper	Johnson, V.	Nelson, C.	Riveness	Wenzel
Dauner	Kahn	O'Connor	Rodosovich	Winter
Dawkins	Kalis	Olsen, S.	Rose	Wynia
DeBlieck	Kelly	Olson, E.	Sarna	Spk. Vanasek
Dempsey	Kelso	Olson, K.	Schafer	
Dille	Kinkel	Omann	Schreiber	

Those who voted in the negative were:

Anderson, G.	McPherson	Neuenschwander	Simoneau	Waltman
Anderson, R.	Milbert	Ogren	Solberg	
Dorn	Miller	Quinn	Sparby	
Kludt	Minne	Quist	Svigggum	
Lasley	Nelson, K.	Rukavina	Voss	

The bill was passed and its title agreed to.

H. F. No. 1848 was reported to the House.

Jefferson moved that H. F. No. 1848 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2446, A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.17; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; Minnesota Statutes 1987 Supplement, section 383C.035; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.171; 383C.174; 383C.175; 383C.20; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64;

383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

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.	Greenfield	Larsen	Orenstein	Shaver
Anderson, R.	Gruenes	Lasley	Otis	Simoneau
Battaglia	Gutknecht	Lieder	Ozment	Skoglund
Bauerly	Hartle	Long	Pappas	Solberg
Beard	Haukoos	Marsh	Pauly	Sparby
Begich	Heap	McDonald	Pelowski	Steensma
Bennett	Himle	McEachern	Peterson	Sviggum
Bertram	Hugoson	McKasy	Poppenhagen	Swenson
Bishop	Jacobs	McLaughlin	Price	Thiede
Boo	Jaros	McPherson	Quinn	Tjornhom
Brown	Jefferson	Milbert	Quist	Tompkins
Burger	Jennings	Miller	Redalen	Trimble
Carlson, D.	Jensen	Minne	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlick	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Forsythe	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Frederick	Kostohryz	Omamn	Seaberg	
Frerichs	Krueger	Onnen	Segal	

The bill was passed and its title agreed to.

H. F. No. 1493 was reported to the House.

Dempsey moved that H. F. No. 1493 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2450, A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; amending Minnesota Statutes 1986, section 500.24, 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 86 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Lieder	Olson, K.	Seaberg
Battaglia	Jefferson	Long	Omann	Segal
Bauerly	Jensen	McEachern	Orenstein	Simoneau
Beard	Johnson, A.	McKasy	Osthoff	Skoglund
Begich	Johnson, R.	McLaughlin	Otis	Solberg
Bertram	Kahn	Milbert	Pappas	Sparby
Brown	Kalis	Minne	Peterson	Steensma
Carlson, L.	Kelly	Munger	Price	Tompkins
Carruthers	Kelso	Murphy	Quinn	Trimble
Clark	Kinkel	Nelson, C.	Reding	Tunheim
Cooper	Kludt	Nelson, D.	Rest	Vellenga
Dauner	Knickerbocker	Nelson, K.	Rice	Voss
Dawkins	Knuth	Neuenschwander	Riveness	Wagenius
DeBlicck	Kostohryz	O'Connor	Rodosovich	Welle
Dille	Krueger	Ogren	Rukavina	Wenzel
Greenfield	Larsen	Olsen, S.	Sarna	Winter
Jacobs	Lasley	Olson, E.	Scheid	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Bennett	Forsythe	Hugoson	Pauly	Schreiber
Bishop	Frederick	Johnson, V.	Pelowski	Shaver
Blatz	Frerichs	Marsh	Poppenhagen	Sviggum
Boo	Gruenes	McDonald	Quist	Swenson
Carlson, D.	Gutknecht	McPherson	Redalen	Thiede
Clausnitzer	Hartle	Miller	Richter	Tjornhom
Dempsey	Haukoos	Onnen	Rose	Uphus
Dorn	Himle	Ozment	Schafer	Valento
				Waltman

The bill was passed and its title agreed to.

H. F. No. 2514 was reported to the House.

Carruthers moved that H. F. No. 2514 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2481, A bill for an act relating to local government; the city of Cook, the city of Orr, and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

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.	Frerichs	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Larsen	Orenstein	Segal
Bauerly	Gruenes	Lasley	Osthoff	Shaver
Beard	Gutknecht	Lieder	Otis	Simoneau
Begich	Hartle	Marsh	Ozment	Skoglund
Bennett	Haukoos	McDonald	Pappas	Solberg
Bertram	Heap	McEachern	Pauly	Sparby
Bishop	Himle	McKasy	Pelowski	Steensma
Blatz	Hugoson	McLaughlin	Peterson	Sviggum
Boo	Jacobs	McPherson	Poppenhagen	Swenson
Brown	Jaros	Milbert	Price	Thiede
Burger	Jefferson	Miller	Quinn	Tjornhom
Carlson, D.	Jennings	Minne	Quist	Tompkins
Carlson, L.	Jensen	Morrison	Redalen	Trimble
Carruthers	Johnson, A.	Munger	Reding	Tunheim
Clark	Johnson, R.	Murphy	Rest	Uphus
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Valento
Cooper	Kahn	Nelson, D.	Richter	Vellenga
Dauner	Kalis	Nelson, K.	Riveness	Wagenius
Dawkins	Kelly	Neuenschwander	Rodosovich	Waltman
DeBlicke	Kelso	O'Connor	Rose	Welle
Dempsey	Kinkel	Ogren	Rukavina	Wenzel
Dille	Kludt	Olsen, S.	Sarna	Winter
Dorn	Knickerbocker	Olsen, E.	Schafer	Wynia
Forsythe	Knuth	Olson, K.	Scheid	Spk. Vanasek
Frederick	Kostohryz	Omann	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 2088 was reported to the House.

Winter moved to amend H. F. No. 2088, the first engrossment, as follows:

Page 1, line 18, delete "the right of first refusal in"

Page 1, line 19, delete "United States Code, Title 12, section 2219a, has occurred,"

A roll call was requested and properly seconded.

The question was taken on the Winter amendment and the roll was called. There were 78 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Kalis	McLaughlin	Olson, K.
Battaglia	DeBlicke	Kelly	Milbert	Orenstein
Bauerly	Dorn	Kelso	Minne	Osthoff
Beard	Greenfield	Kinkel	Munger	Otis
Begich	Jacobs	Kludt	Murphy	Pappas
Bertram	Jaros	Knuth	Nelson, C.	Pelowski
Brown	Jefferson	Kostohryz	Nelson, D.	Peterson
Carlson, L.	Jennings	Krueger	Nelson, K.	Quinn
Carruthers	Jensen	Larsen	Neuenschwander	Reding
Clark	Johnson, A.	Lasley	O'Connor	Rest
Cooper	Johnson, R.	Long	Ogren	Riveness
Dauner	Kahn	McEachern	Olson, E.	Rukavina

Sarna	Simoneau	Steensma	Voss	Wynia
Scheid	Skoglund	Trimble	Wagenius	Spk. Vanasek
Seaberg	Solberg	Tunheim	Wenzel	
Segal	Sparby	Vellenga	Winter	

Those who voted in the negative were:

Bennett	Frerichs	Knickerbocker	Onnen	Schreiber
Bishop	Gruenes	Marsh	Ozment	Shaver
Burger	Gutknecht	McDonald	Pauly	Sviggum
Carlson, D.	Hartle	McKasy	Poppenhagen	Thiede
Clausnitzer	Haukoos	McPherson	Quist	Tjornhom
Dempsey	Heap	Miller	Redalen	Tompkins
Dille	Himle	Morrison	Richter	Uphus
Forsythe	Hugoson	Olsen, S.	Rose	Valento
Frederick	Johnson, V.	Omann	Schafer	Waltman

The motion prevailed and the amendment was adopted.

Peterson was excused between the hours of 4:10 p.m. and 6:35 p.m.

H. F. No. 2088, A bill for an act relating to agriculture; protecting certain persons from eviction from agricultural land for a limited time; amending Minnesota Statutes 1986, section 500.24, 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 75 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Kostohryz	Ogren	Scheid
Bauerly	Jacobs	Krueger	Olson, E.	Segal
Beard	Jaros	Larsen	Olson, K.	Simoneau
Begich	Jefferson	Lasley	Omann	Skoglund
Bertram	Jennings	Lieder	Orenstein	Solberg
Brown	Jensen	Long	Otis	Sparby
Carlson, L.	Johnson, A.	McLaughlin	Pappas	Steensma
Carruthers	Johnson, R.	Milbert	Pelowski	Trimble
Clark	Kahn	Minne	Price	Tunheim
Cooper	Kalis	Munger	Quinn	Vellenga
Dauner	Kelly	Murphy	Reding	Voss
Dawkins	Kelso	Nelson, C.	Rice	Wenzel
DeBlicck	Kinkel	Nelson, D.	Rodosovich	Winter
Dorn	Kludt	Nelson, K.	Rukavina	Wynia
Frederick	Knuth	O'Connor	Sarna	Spk. Vanasek

Those who voted in the negative were:

Anderson, G.	Boo	Dempsey	Gutknecht	Himle
Anderson, R.	Burger	Forsythe	Hartle	Hugoson
Bennett	Carlson, D.	Frerichs	Haukoos	Johnson, V.
Blatz	Clausnitzer	Gruenes	Heap	Knickerbocker

Marsh	Neuenschwander	Poppenhagen	Schreiber	Tjornhom
McDonald	Olsen, S.	Quist	Seaberg	Tompkins
McKasy	Onnen	Redalen	Shaver	Uphus
McPherson	Osthoff	Richter	Sviggum	Valento
Miller	Ozment	Rose	Swenson	Waltman
Morrison	Pauly	Schafer	Thiede	

The bill was passed, as amended, and its title agreed to.

S. F. No. 1622 was reported to the House.

Sparby moved to amend S. F. No. 1622, the unofficial engrossment, as follows:

Page 3, delete lines 19 to 23

The motion prevailed and the amendment was adopted.

S. F. No. 1622, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

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.	Frederick	Kostohryz	Omann	Schreiber
Anderson, R.	Frerichs	Krueger	Onnen	Seaberg
Battaglia	Greenfield	Larsen	Orenstein	Segal
Bauerly	Gruenes	Lasley	Osthoff	Shaver
Beard	Hartle	Lieder	Otis	Simoneau
Begich	Haukoos	Long	Ozment	Skoglund
Bennett	Heap	McDonald	Pappas	Solberg
Bertram	Himle	McEachern	Pauly	Sparby
Blatz	Hugoson	McKasy	Pelowski	Steensma
Boo	Jacobs	McLaughlin	Poppenhagen	Sviggum
Brown	Jaros	McPherson	Price	Swenson
Burger	Jefferson	Milbert	Quinn	Thiede
Carlson, D.	Jennings	Miller	Quist	Tjornhom
Carlson, L.	Jensen	Minne	Redalen	Tompkins
Carruthers	Johnson, A.	Morrison	Reding	Trimble
Clark	Johnson, R.	Munger	Rest	Tunheim
Clausnitzer	Johnson, V.	Murphy	Rice	Uphus
Cooper	Kahn	Nelson, C.	Richter	Valento
Dauner	Kalis	Nelson, D.	Riveness	Vellenga
Dawkins	Kelly	Nelson, K.	Rodosovich	Voss
DeBlieck	Kelso	Neuenschwander	Rose	Wagenius
Dempsey	Kinkel	O'Connor	Rukavina	Waltman
Dille	Kludt	Ogren	Sarna	Welle
Dorn	Knickerbocker	Olson, E.	Schafer	Wenzel
Forsythe	Knuth	Olson, K.	Scheid	Winter
				Wynia
				Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

S. F. No. 1644, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Omann	Seaberg
Anderson, R.	Frerichs	Larsen	Onnen	Segal
Battaglia	Greenfield	Lasley	Orenstein	Shaver
Bauerly	Gruenes	Lieder	Osthoff	Simoneau
Beard	Hartle	Long	Otis	Skoglund
Begich	Haukoos	Marsh	Ozment	Solberg
Bennett	Heap	McDonald	Pappas	Sparby
Bertram	Himle	McEachern	Pauly	Steensma
Bishop	Hugoson	McKasy	Pelowski	Sviggum
Blatz	Jacobs	McLaughlin	Poppenhagen	Swenson
Boo	Jaros	McPherson	Price	Thiede
Brown	Jefferson	Milbert	Quinn	Tjornhom
Burger	Jennings	Miller	Quist	Tompkins
Carlson, D.	Jensen	Minne	Redalen	Trimble
Carlson, L.	Johnson, A.	Morrison	Reding	Tunheim
Carruthers	Johnson, R.	Munger	Rest	Uphus
Clark	Johnson, V.	Murphy	Rice	Valento
Clausnitzer	Kahn	Nelson, C.	Richter	Vellenga
Cooper	Kalis	Nelson, D.	Riveness	Voss
Dauner	Kelly	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelso	Neuenschwander	Rose	Waltman
DeBlick	Kinkel	O'Connor	Rukavina	Welle
Dempsey	Kludt	Ogren	Sarna	Wenzel
Dille	Knickerbocker	Olsen, S.	Schafer	Winter
Dorn	Knuth	Olson, E.	Scheid	Wynia
Forsythe	Kostohryz	Olson, K.	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Olson, K.	Schreiber
Anderson, R.	Frerichs	Krueger	Omamn	Seaberg
Battaglia	Greenfield	Larsen	Onnen	Segal
Bauerly	Gruenes	Lasley	Orenstein	Shaver
Beard	Gutknecht	Lieder	Osthoff	Simoneau
Begich	Hartle	Long	Otis	Skoglund
Bennett	Haukoos	Marsh	Ozment	Solberg
Bertram	Heap	McDonald	Pappas	Sparby
Bishop	Himle	McEachern	Pauly	Steensma
Blatz	Hugoson	McKasy	Pelowski	Swiggum
Boo	Jacobs	McLaughlin	Poppenhagen	Swenson
Brown	Jaros	McPherson	Price	Thiede
Burger	Jefferson	Milbert	Quinn	Tjornhom
Carlson, D.	Jennings	Miller	Quist	Tompkins
Carlson, L.	Jensen	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Morrison	Reding	Tunheim
Clark	Johnson, R.	Munger	Rest	Uphus
Clausnitzer	Johnson, V.	Murphy	Rice	Valento
Cooper	Kahn	Nelson, C.	Richter	Vellenga
Dauner	Kalis	Nelson, D.	Riveness	Voss
Dawkins	Kelly	Nelson, K.	Rodosovich	Wagenius
DeBlicke	Kelso	Neuenschwander	Rose	Waltman
Dempsey	Kinkel	O'Connor	Rukavina	Welle
Dille	Kludt	Ogren	Sarna	Wenzel
Dorn	Knickerbocker	Olsen, S.	Schafer	Winter
Forsythe	Knuth	Olson, E.	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2228, A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Boo	Dawkins	Gutknecht	Jensen
Anderson, R.	Brown	DeBlicke	Hartle	Johnson, A.
Battaglia	Burger	Dempsey	Haukoos	Johnson, R.
Bauerly	Carlson, D.	Dille	Heap	Johnson, V.
Beard	Carlson, L.	Dorn	Himle	Kahn
Begich	Carruthers	Forsythe	Hugoson	Kalis
Bennett	Clark	Frederick	Jacobs	Kelly
Bertram	Clausnitzer	Frerichs	Jaros	Kelso
Bishop	Cooper	Greenfield	Jefferson	Kinkel
Blatz	Dauner	Gruenes	Jennings	Kludt

Knickerbocker	Minne	Osthoff	Rodosovich	Swenson
Knuth	Morrison	Otis	Rose	Thiede
Kostohryz	Munger	Ozment	Rukavina	Tjornhom
Krueger	Murphy	Pappas	Sarna	Tompkins
Larsen	Nelson, C.	Pauly	Schafer	Trimble
Lasley	Nelson, D.	Pelowski	Scheid	Tunheim
Lieder	Nelson, K.	Poppenhagen	Schreiber	Uphus
Long	Neuenschwander	Price	Seaberg	Valento
Marsh	O'Connor	Quinn	Segal	Vellenga
McDonald	Ogren	Quist	Shaver	Voss
McEachern	Olsen, S.	Redalen	Simoneau	Wagenius
McKasy	Olson, E.	Reding	Skoglund	Waltman
McLaughlin	Olson, K.	Rest	Solberg	Welle
McPherson	Omann	Rice	Sparby	Wenzel
Milbert	Onnen	Richter	Steensma	Winter
Miller	Orenstein	Riveness	Sviggum	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

Rose was excused for the remainder of today's session.

H. F. No. 2629, A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Knickerbocker	O'Connor	Rodosovich
Battaglia	Frerichs	Knuth	Ogren	Rukavina
Bauerly	Greenfield	Kostohryz	Olsen, S.	Sarna
Beard	Gruenes	Krueger	Olson, E.	Schafer
Begich	Gutknecht	Larsen	Olson, K.	Scheid
Bennett	Hartle	Lasley	Omann	Seaberg
Bertram	Haukoos	Lieder	Onnen	Segal
Bishop	Heap	Long	Orenstein	Shaver
Blatz	Himle	Marsh	Osthoff	Simoneau
Boo	Hugoson	McDonald	Otis	Skoglund
Brown	Jacobs	McEachern	Ozment	Solberg
Burger	Jaros	McKasy	Pappas	Sparby
Carlson, L.	Jefferson	McLaughlin	Pauly	Steensma
Carruthers	Jennings	McPherson	Pelowski	Sviggum
Clark	Jensen	Milbert	Poppenhagen	Swenson
Clausnitzer	Johnson, A.	Miller	Price	Thiede
Cooper	Johnson, R.	Minne	Quinn	Tjornhom
Dauner	Johnson, V.	Morrison	Quist	Tompkins
Dawkins	Kahn	Munger	Redalen	Trimble
DeBlicke	Kalis	Murphy	Reding	Tunheim
Dempsey	Kelly	Nelson, C.	Rest	Uphus
Dille	Kelso	Nelson, D.	Rice	Valento
Dorn	Kinkel	Nelson, K.	Richter	Vellenga
Forsythe	Kludt	Neuenschwander	Riveness	Voss

Wagenius
Waltman

Welle
Wenzel

Winter
Wynia

Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1872 was reported to the House.

Jefferson moved that H. F. No. 1872 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2341 was reported to the House.

Forsythe moved to amend H. F. No. 2341, the first engrossment, as follows:

Page 4, line 19, delete "section 93" and insert "article 3, section 94"

The motion prevailed and the amendment was adopted.

H. F. No. 2341, A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gutknecht	Kalis	McEachern
Anderson, R.	Clark	Hartle	Kelly	McKasy
Battaglia	Clausnitzer	Haukoos	Kelso	McLaughlin
Bauerly	Cooper	Heap	Kinkel	McPherson
Beard	Dauner	Himle	Kludt	Milbert
Begich	Dawkins	Hugoson	Knickerbocker	Miller
Bennett	DeBlieck	Jacobs	Knuth	Minne
Bertram	Dempsey	Jaros	Kostohryz	Morrison
Bishop	Dille	Jefferson	Krueger	Munger
Blatz	Dorn	Jennings	Larsen	Murphy
Boo	Forsythe	Jensen	Lasley	Nelson, C.
Brown	Frederick	Johnson, A.	Lieder	Nelson, D.
Burger	Frerichs	Johnson, R.	Long	Nelson, K.
Carlson, D.	Greenfield	Johnson, V.	Marsh	Neuenschwander
Carlson, L.	Gruenes	Kahn	McDonald	O'Connor

Ogren	Pauly	Riveness	Skoglund	Uphus
Olsen, S.	Pelowski	Rodosovich	Solberg	Valento
Olson, E.	Poppenhagen	Rukavina	Sparby	Vellenga
Olson, K.	Price	Sarna	Steensma	Voss
Omann	Quinn	Schafer	Svigum	Wagenius
Onnen	Quist	Scheid	Swenson	Waltman
Orenstein	Redalen	Schreiber	Thiede	Welle
Osthoff	Reding	Seaberg	Tjornhom	Wenzel
Otis	Rest	Segal	Tompkins	Winter
Ozment	Rice	Shaver	Trimble	Wynia
Pappas	Richter	Simoneau	Tunheim	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 1674 was reported to the House.

Bauerly moved that H. F. No. 1674 be returned to General Orders. The motion prevailed.

Quist was excused for the remainder of today's session.

H. F. No. 2086 was reported to the House.

Bennett and Simoneau moved to amend H. F. No. 2086, the first engrossment, as follows:

Page 2, after line 32, insert:

“Subd. 7. [NONAPPLICATION.] This section does not apply to a sale or transfer of a motor vehicle for the purpose of scrapping, dismantling, or destroying it.”

The motion prevailed and the amendment was adopted.

H. F. No. 2086, A bill for an act relating to motor vehicles; removing language regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

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.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner
Beard	Bishop	Burger	Clark	Dawkins

DeBlicke	Kahn	Minne	Poppenhagen	Steensma
Dempsey	Kalis	Morrison	Price	Sviggum
Dille	Kelly	Munger	Quinn	Swenson
Dorn	Kelso	Murphy	Redalen	Thiede
Forsythe	Kinkel	Nelson, C.	Reding	Tjornhom
Frederick	Kludt	Nelson, D.	Rest	Tompkins
Greenfield	Knickerbocker	Nelson, K.	Rice	Trimble
Gruenes	Knuth	Neuenschwander	Richter	Tunheim
Gutknecht	Kostohryz	O'Connor	Riveness	Uphus
Hartle	Krueger	Ogren	Rodosovich	Valento
Haukoos	Larsen	Olsen, S.	Rukavina	Vellenga
Heap	Lasley	Olson, E.	Sarna	Voss
Himle	Lieder	Olson, K.	Schafer	Wagenius
Hugoson	Long	Omann	Scheid	Waltman
Jacobs	Marsh	Onnen	Schreiber	Welle
Jaros	McDonald	Orenstein	Seaberg	Wenzel
Jefferson	McEachern	Osthoff	Segal	Winter
Jennings	McKasy	Otis	Shaver	Wynia
Jensen	McLaughlin	Ozment	Simoneau	Spk. Vanasek
Johnson, A.	McPherson	Pappas	Skoglund	
Johnson, R.	Milbert	Pauly	Solberg	
Johnson, V.	Miller	Pelowski	Sparby	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2477 was reported to the House.

Reding moved to amend H. F. No. 2477, the first engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 352.85, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of military affairs other than as a full-time firefighter, who is covered by the general employee retirement plan of the system as provided in section 352.01, subdivision 23, who is ordered to active duty under section 190.08, subdivision 3, who elects this special retirement coverage under subdivision 4, who is required to retire from federal military status at the an age of 60 years earlier than age 65 by applicable federal laws or regulations and who terminates employment as a state employee upon attaining that mandatory retirement age is entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement under section 352.116, subdivision 1.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.85, subdivision 2, is amended to read:

Subd. 2. [DISABILITY BENEFIT.] An employee described in subdivision 1, who is less than 60 years of the applicable federal military status mandatory retirement age and who becomes dis-

abled and physically or mentally unfit to perform occupational duties due to injury, sickness, or other disability, and who is found disqualified for retention on active duty as a result of a physical examination required by applicable federal laws or regulations, is entitled upon application to disability benefits computed in the manner specified in section 352.113. Disability benefits are otherwise governed by section 352.113, except that the age for the termination of the disability benefit is 60 years the applicable federal military status mandatory retirement age."

Page 5, line 4, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2477, A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; clarifying certain provisions of law relating to retirement annuities and disability benefits of military affairs personnel; amending Minnesota Statutes 1987 Supplement, sections 352.85, subdivisions 1 and 2; 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeBlicek	Johnson, A.	McEachern	Omann
Battaglia	Dempsey	Johnson, R.	McKasy	Onnen
Bauerly	Dille	Johnson, V.	McLaughlin	Orenstein
Beard	Dorn	Kahn	McPherson	Osthoff
Begich	Forsythe	Kalis	Milbert	Otis
Bennett	Frederick	Kelly	Miller	Ozment
Bertram	Greenfield	Kelso	Minne	Pappas
Blatz	Gruenes	Kinkel	Morrison	Pauly
Boo	Gutknecht	Kludd	Munger	Pelowski
Brown	Hartle	Knickerbocker	Murphy	Poppenhagen
Burger	Haukoos	Knuth	Nelson, C.	Price
Carlson, D.	Heap	Kostohryz	Nelson, D.	Quinn
Carlson, L.	Himle	Krueger	Nelson, K.	Redalen
Carruthers	Hugoson	Larsen	Neuenschwander	Reding
Clark	Jacobs	Lasley	O'Connor	Rest
Clausnitzer	Jaros	Lieder	Ogren	Rice
Cooper	Jefferson	Long	Olsen, S.	Richter
Dauner	Jennings	Marsh	Olson, E.	Riveness
Dawkins	Jensen	McDonald	Olson, K.	Rodosovich

Rukavina	Segal	Sviggum	Tunheim	Waltman
Sarna	Shaver	Swenson	Uphus	Welle
Schafer	Simoneau	Thiede	Valento	Wenzel
Scheid	Skoglund	Tjornhom	Vellenga	Winter
Schreiber	Solberg	Tompkins	Voss	Wynia
Seaberg	Steensma	Trimble	Wagenius	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

H. F. No. 2252, A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Krueger	Omann	Shaver
Anderson, R.	Greenfield	Larsen	Onnen	Simoneau
Battaglia	Gruenes	Lasley	Orenstein	Skoglund
Bauerly	Gutknecht	Lieder	Osthoff	Solberg
Beard	Hartle	Long	Otis	Sparby
Begich	Haukoos	Marsh	Ozment	Steensma
Bennett	Heap	McDonald	Pappas	Sviggum
Bertram	Himle	McEachern	Pauly	Swenson
Blatz	Hugoson	McKasy	Pelowski	Thiede
Boo	Jacobs	McLaughlin	Poppenhagen	Tjornhom
Brown	Jaros	McPherson	Price	Tompkins
Burger	Jefferson	Milbert	Quinn	Trimble
Carlson, D.	Jennings	Miller	Redalen	Tunheim
Carlson, L.	Jensen	Minne	Reding	Uphus
Carruthers	Johnson, A.	Morrison	Rest	Valento
Clark	Johnson, R.	Munger	Rice	Vellenga
Clausnitzer	Johnson, V.	Murphy	Richter	Voss
Cooper	Kahn	Nelson, C.	Riveness	Wagenius
Dauner	Kalis	Nelson, D.	Rodosovich	Waltman
Dawkins	Kelly	Nelson, K.	Rukavina	Welle
DeBleeck	Kelso	Neuenschwander	Sarna	Wenzel
Dempsey	Kinkel	O'Connor	Schafer	Winter
Dille	Kludt	Ogren	Scheid	Wynia
Dorn	Knickerbocker	Olsen, S.	Schreiber	Spk. Vanasek
Forsythe	Knuth	Olson, E.	Seaberg	
Frederick	Kostohryz	Olson, K.	Segal	

The bill was passed and its title agreed to.

H. F. No. 2172, A bill for an act relating to retirement; state university and community college supplemental plan; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 43A.27, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Kostohryz	Olson, K.	Shaver
Anderson, R.	Frederick	Krueger	Omann	Simoneau
Battaglia	Frerichs	Larsen	Onnen	Skoghund
Bauerly	Greenfield	Lasley	Orenstein	Solberg
Beard	Gruenes	Lieder	Osthoff	Sparby
Begich	Hartle	Long	Otis	Steensma
Bennett	Haukoos	Marsh	Ozment	Sviggum
Bertram	Heap	McDonald	Pappas	Swenson
Bishop	Himle	McEachern	Pauly	Thiede
Blatz	Hugoson	McKasy	Pelowski	Tjornhom
Boo	Jacobs	McLaughlin	Poppenhagen	Tompkins
Brown	Jaros	McPherson	Price	Trimble
Burger	Jefferson	Milbert	Quinn	Tunheim
Carlson, D.	Jennings	Miller	Redalen	Uphus
Carlson, L.	Jensen	Minne	Reding	Valento
Carruthers	Johnson, A.	Morrison	Rest	Vellenga
Clark	Johnson, R.	Munger	Rice	Wagenius
Clausmitzer	Johnson, V.	Murphy	Richter	Waltman
Cooper	Kahn	Nelson, C.	Riveness	Welle
Dauner	Kalis	Nelson, D.	Rodosovich	Wenzel
Dawkins	Kelly	Nelson, K.	Rukavina	Winter
DeBlieck	Kelso	Neuenschwander	Sarna	Wynia
Dempsey	Kinkel	O'Connor	Schafer	Spk. Vanasek
DeRaad	Kludt	Ogren	Scheid	
Dille	Knickerbocker	Olsen, S.	Schreiber	
Dorn	Knuth	Olson, E.	Segal	

The bill was passed and its title agreed to.

S. F. No. 2264 was reported to the House.

There being no objection, S. F. No. 2264 was continued on Special Orders for one day.

H. F. No. 2250 was reported to the House.

Jefferson moved that H. F. No. 2250 be re-referred to the Committee on Appropriations. The motion prevailed.

Wynia 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 Speaker pro tempore Long.

Scheid was excused for the remainder of today's session.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders for immediate consideration today, Thursday, March 24, 1988:

H. F. Nos. 704, 1736, 2006, 2108 and 2192; S. F. No. 2134; H. F. Nos. 2540 and 2546; S. F. No. 1607; H. F. No. 2317; and S. F. Nos. 321 and 1223.

SPECIAL ORDERS, Continued

H. F. No. 704 was reported to the House.

Rest and Hartle moved to amend H. F. No. 704, the second engrossment, as follows:

Page 8, after line 22, insert:

"Sec. 7. [IGNITION INTERLOCK DEVICES; STUDY AND REPORT REQUIRED.]

Subdivision 1. [DEFINITION.] As used in this section, "ignition interlock device" means breath alcohol ignition equipment designed to prevent the operation of a motor vehicle by a person whose alcohol concentration exceeds a designated level.

Subd. 2. [STUDY AND REPORT BY DEPARTMENT OF PUBLIC SAFETY.] The department of public safety shall study the use of ignition interlock devices in other states and report its findings to the legislature by January 1, 1989. The department's report shall address, but need not be limited to, the following questions:

(a) Does the use of ignition interlock devices have a demonstrated effect on the incidence of repeat drunk driving offenses?

(b) Should the use of ignition interlock devices be mandated for all

convicted drunk drivers, or should their use be a discretionary matter for the courts and the department of public safety?

(c) What technical or operational problems do ignition interlock devices present and how can these problems best be resolved?

(d) What process and criteria should the state adopt to certify ignition interlock devices?

(e) Who should bear the responsibility for paying for the installation of ignition interlock devices?"

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring the department to study the use in other states of ignition interlock devices;"

The motion prevailed and the amendment was adopted.

Orenstein, Rest and Nelson, D., moved to amend H. F. No. 704, the second engrossment, as amended, as follows:

Page 8, after line 22, insert:

"Sec. 7. Minnesota Statutes 1986, section 169.121, subdivision 3a, as added by Laws 1988, chapter 408, section 1, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of violating this section or an ordinance in conformity with it (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor files may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the

defendant without regard to the mandatory minimum term of imprisonment established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum term of imprisonment established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record."

Renumber the remaining sections in sequence

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Minne was excused for the remainder of today's session.

Rest moved that H. F. No. 704, as amended, be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1736 was reported to the House.

Krueger moved that H. F. No. 1736 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2006, A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases; requiring prosecutors to notify domestic violence victims of a decision to decline prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

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.	Forsythe	Kostohryz	Omann	Simoneau
Anderson, R.	Frederick	Krueger	Onnen	Skoglund
Battaglia	Frerichs	Larsen	Orenstein	Solberg
Bauerly	Gruenes	Lasley	Osthoff	Sparby
Beard	Gutknecht	Lieder	Otis	Steensma
Begich	Hartle	Long	Ozment	Sviggum
Bennett	Haukoos	Marsh	Pappas	Swenson
Bertram	Heap	McDonald	Pauly	Thiede
Bishop	Himle	McEachern	Pelowski	Tjornhom
Blatz	Hugoson	McKasy	Poppenhagen	Tompkins
Boo	Jacobs	McLaughlin	Price	Trimble
Brown	Jaros	McPherson	Quinn	Tunheim
Burger	Jefferson	Milbert	Redalen	Uphus
Carlson, D.	Jennings	Miller	Reding	Valento
Carlson, L.	Jensen	Morrison	Rest	Vellenga
Carruthers	Johnson, A.	Munger	Rice	Voss
Clark	Johnson, R.	Murphy	Richter	Wagenius
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Waltman
Cooper	Kahn	Nelson, D.	Rodosovich	Welle
Dauner	Kalis	Nelson, K.	Rukavina	Wenzel
Dawkins	Kelly	Neuenschwander	Sarna	Winter
DeBlieck	Kelso	O'Connor	Schafer	Wynia
Dempsey	Kinkel	Ogren	Schreiber	Spk. Vanasek
DeRaad	Kludt	Olsen, S.	Seaberg	
Dille	Knickerbocker	Olson, E.	Segal	
Dorn	Knuth	Olson, K.	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2108, A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies; limiting the number of highway patrol supervisors; amending Minnesota Statutes 1986, section 299D.03, 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 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dempsey	Heap	Kalis
Anderson, R.	Burger	DeRaad	Himle	Kelly
Battaglia	Carlson, D.	Dille	Hugoson	Kelso
Bauerly	Carlson, L.	Dorn	Jacobs	Kinkel
Beard	Carruthers	Forsythe	Jaros	Kludt
Begich	Clark	Frederick	Jefferson	Knickerbocker
Bennett	Clausnitzer	Frerichs	Jensen	Knuth
Bertram	Cooper	Greenfield	Johnson, A.	Kostohryz
Bishop	Dauner	Gruenes	Johnson, R.	Krueger
Blatz	Dawkins	Hartle	Johnson, V.	Larsen
Boo	DeBlieck	Haukoos	Kahn	Lasley

Lieder	Nelson, D.	Pauly	Schafer	Tunheim
Long	Nelson, K.	Pelowski	Seaberg	Uphus
Marsh	Neuenschwander	Poppenhagen	Segal	Valento
McDonald	O'Connor	Price	Simoneau	Vellenga
McEachern	Ogren	Quinn	Skoglund	Voss
McKasy	Olsen, S.	Redalen	Solberg	Wagenius
McLaughlin	Olson, E.	Reding	Sparby	Waltman
McPherson	Olson, K.	Rest	Steensma	Welle
Milbert	Omann	Rice	Sviggun	Wenzel
Miller	Onnen	Richter	Swenson	Winter
Morrison	Orenstein	Riveness	Thiede	Wynia
Munger	Osthoff	Rodosovich	Tjornhom	Spk. Vanasek
Murphy	Otis	Rukavina	Tompkins	
Nelson, C.	Ozment	Sarna	Trimble	

Those who voted in the negative were:

Jennings Schreiber

The bill was passed and its title agreed to.

H. F. No. 2192, A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bertram	Carruthers	Dempsey	Greenfield
Anderson, R.	Bishop	Clark	DeRaad	Gruenes
Battaglia	Blatz	Clausnitzer	Dille	Gutknecht
Bauerly	Brown	Cooper	Dorn	Hartle
Beard	Burger	Dauner	Forsythe	Haukoos
Begich	Carlson, D.	Dawkins	Frederick	Heap
Bennett	Carlson, L.	DeBlicke	Frerichs	Himle

Hugoson	Larsen	O'Connor	Rest	Thiede
Jacobs	Lasley	Ogren	Rice	Tjornhom
Jaros	Lieder	Olsen, S.	Richter	Tompkins
Jefferson	Long	Olson, E.	Riveness	Trimble
Jennings	Marsh	Olson, K.	Rodosovich	Tunheim
Jensen	McDonald	Omnn	Rukavina	Uphus
Johnson, A.	McEachern	Onnen	Sarna	Valento
Johnson, R.	McKasy	Orenstein	Schafer	Vellenga
Johnson, V.	McLaughlin	Osthoff	Schreiber	Voss
Kahn	McPherson	Otis	Seaberg	Wagenius
Kalis	Milbert	Ozment	Segal	Waltman
Kelly	Miller	Pappas	Shaver	Welle
Kelso	Morrison	Pauly	Simoneau	Wenzel
Kinkel	Munger	Pelowski	Skoglund	Winter
Kludt	Murphy	Poppenhagen	Solberg	Wynia
Knickerbocker	Nelson, C.	Price	Sparby	Spk. Vanasek
Knuth	Nelson, D.	Quinn	Steensma	
Kostohryz	Nelson, K.	Redalen	Sviggum	
Krueger	Neuenschwander	Reding	Swenson	

The bill was passed and its title agreed to.

S. F. No. 2134 was reported to the House.

Rukavina moved to amend S. F. No. 2134, as follows:

Page 1, line 9, delete "69N" and insert "60N"

The motion prevailed and the amendment was adopted.

S. F. No. 2134, A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Hartle	Kinkel	Milbert
Anderson, R.	Clausnitzer	Haukoos	Kludt	Miller
Battaglia	Cooper	Heap	Knickerbocker	Morrison
Bauerly	Dauner	Hugoson	Knuth	Munger
Beard	Dawkins	Jacobs	Kostohryz	Murphy
Begich	DeBlick	Jaros	Krueger	Nelson, C.
Bennett	Dempsey	Jefferson	Larsen	Nelson, D.
Bertram	DeRaad	Jennings	Lasley	Nelson, K.
Bishop	Dille	Jensen	Lieder	Neuenschwander
Blatz	Dorn	Johnson, A.	Long	O'Connor
Boo	Forsythe	Johnson, R.	Marsh	Ogren
Brown	Frederick	Johnson, V.	McDonald	Olsen, S.
Burger	Frerichs	Kahn	McEachern	Olson, E.
Carlson, D.	Greenfield	Kalis	McKasy	Olson, K.
Carlson, L.	Gruenes	Kelly	McLaughlin	Omnn
Carruthers	Gutknecht	Kelso	McPherson	Onnen

Orenstein	Redalen	Schreiber	Swenson	Wagenius
Osthoff	Reding	Seaberg	Thiede	Waltman
Otis	Rest	Segal	Tjornhom	Welle
Ozment	Rice	Shaver	Tompkins	Wenzel
Pappas	Richter	Simoneau	Trimble	Winter
Pauly	Riveness	Skoglund	Tunheim	Wynia
Pelowski	Rodosovich	Solberg	Uphus	Spk. Vanasek
Poppenhagen	Rukavina	Sparby	Valento	
Price	Sarna	Steensma	Vellenga	
Quinn	Schafer	Sviggum	Voss	

Those who voted in the negative were:

Himle

The bill was passed, as amended, and its title agreed to.

H. F. No. 2546, A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kalis	Munger	Quinn
Anderson, R.	Dille	Kelly	Murphy	Redalen
Battaglia	Dorn	Kelso	Nelson, C.	Reding
Bauerly	Forsythe	Kinkel	Nelson, D.	Rest
Begich	Frederick	Kludt	Nelson, K.	Rice
Bennett	Frerichs	Knickerbocker	Neuenschwander	Richter
Bertram	Greenfield	Knuth	O'Connor	Riveness
Bishop	Gruenes	Kostohryz	Ogren	Rodosovich
Blatz	Gutknecht	Krueger	Olsen, S.	Rukavina
Boo	Hartle	Larsen	Olson, E.	Sarna
Brown	Haukoos	Lasley	Olson, K.	Schafer
Burger	Heap	Lieder	Omamm	Schreiber
Carlson, D.	Himle	Long	Onnen	Seaberg
Carlson, L.	Hugoson	Marsh	Orenstein	Segal
Carruthers	Jacobs	McDonald	Osthoff	Shaver
Clark	Jaros	McEachern	Otis	Simoneau
Clausnitzer	Jefferson	McKasy	Ozment	Skoglund
Cooper	Jennings	McLaughlin	Pappas	Solberg
Dauner	Jensen	McPherson	Pauly	Sparby
Dawkins	Johnson, A.	Milbert	Pelowski	Steensma
DeBleeck	Johnson, R.	Miller	Poppenhagen	Sviggum
Dempsey	Johnson, V.	Morrison	Price	Swenson

Thiede	Tunheim	Voss	Wenzel
Tjornhom	Uphus	Wagenius	Winter
Tompkins	Valento	Waltman	Wynia
Trimble	Vellenga	Welle	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1607, A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knickerbocker	Olsen, S.	Schreiber
Anderson, R.	Forsythe	Knuth	Olson, E.	Seaberg
Battaglia	Frederick	Kostohryz	Olson, K.	Segal
Bauerly	Frerichs	Krueger	Omann	Shaver
Beard	Greenfield	Larsen	Onnen	Simoneau
Begich	Gruenes	Lasley	Orenstein	Skoglund
Bennett	Gutknecht	Lieder	Osthoff	Solberg
Bertram	Hartle	Long	Otis	Sparby
Bishop	Haukoos	Marsh	Ozment	Steensma
Blatz	Heap	McDonald,	Pappas	Sviggum
Boo	Himle	McEachern	Pauly	Swenson
Brown	Hugoson	McKasy	Pelowski	Tjornhom
Burger	Jacobs	McLaughlin	Peterson	Tompkins
Carlson, D.	Jaros	McPherson	Poppenhagen	Trimble
Carlson, L.	Jefferson	Milbert	Price	Tunheim
Carruthers	Jennings	Miller	Quinn	Uphus
Clark	Jensen	Morrison	Redalen	Valento
Clausnitzer	Johnson, A.	Munger	Reding	Vellenga
Cooper	Johnson, R.	Murphy	Rest	Voss
Dauner	Johnson, V.	Nelson, C.	Richter	Wagenius
Dawkins	Kalis	Nelson, D.	Riveness	Waltman
DeBlicek	Kelly	Nelson, K.	Rodosovich	Welle
Dempsey	Kelso	Neuenschwander	Rukavina	Wenzel
DeRaad	Kinkel	O'Connor	Sarna	Winter
Dille	Kludt	Ogren	Schafer	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Rice

The bill was passed and its title agreed to.

H. F. No. 2317, A bill for an act relating to education; providing for

use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Knuth	Olson, K.	Shaver
Anderson, R.	Frederick	Kostohryz	Omann	Simoneau
Battaglia	Frerichs	Krueger	Onnen	Skoglund
Bauerly	Greenfield	Larsen	Orenstein	Solberg
Beard	Gruenes	Lasley	Osthoff	Sparby
Begich	Gutknecht	Lieder	Otis	Steensma
Bennett	Hartle	Long	Ozment	Sviggum
Bertram	Haukoos	Marsh	Pappas	Swenson
Bishop	Heap	McDonald	Pauly	Thiede
Blatz	Himle	McEachern	Pelowski	Tjornhom
Boo	Hugoson	McKasy	Peterson	Tompkins
Brown	Jacobs	McLaughlin	Poppenhagen	Tunheim
Burger	Jaros	McPherson	Price	Uphus
Carlson, D.	Jefferson	Milbert	Quinn	Valento
Carlson, L.	Jennings	Miller	Redalen	Vellenga
Carruthers	Jensen	Morrison	Reding	Voss
Clark	Johnson, A.	Munger	Rice	Wagenius
Clausnitzer	Johnson, R.	Murphy	Richter	Waltman
Cooper	Johnson, V.	Nelson, C.	Riveness	Welle
Dauner	Kahn	Nelson, D.	Rodosovich	Wenzel
Dawkins	Kalis	Nelson, K.	Rukavina	Winter
DeBlicek	Kelly	Neuenschwander	Sarna	Wynia
Dempsey	Kelso	O'Connor	Schafer	Spk. Vanasek
DeRaad	Kinkel	Ogren	Schreiber	
Dille	Knudt	Olsen, S.	Seaberg	
Dorn	Knickerbocker	Olson, E.	Segal	

The bill was passed and its title agreed to.

Morrison was excused for the remainder of today's session.

S. F. No. 321 was reported to the House.

Thiede moved to amend S. F. No. 321, the unofficial engrossment, as follows:

Page 4, line 25, delete "August 1" and insert "September 15"

The motion did not prevail and the amendment was not adopted.

Bishop moved to amend S. F. No. 321, the unofficial engrossment, as follows:

Page 1, line 25, delete "willfully or recklessly" and insert "knowingly"

The motion prevailed and the amendment was adopted.

S. F. No. 321, A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

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.	Forsythe	Knuth	Omamm	Simoneau
Anderson, R.	Frederick	Kostohryz	Onnen	Skoglund
Battaglia	Frerichs	Krueger	Orenstein	Solberg
Bauerly	Greenfield	Larsen	Osthoff	Sparby
Beard	Gruenes	Lasley	Otis	Steensma
Begich	Gutknecht	Lieder	Ozment	Sviggum
Bennett	Hartle	Long	Pappas	Swenson
Bertram	Haukoos	Marsh	Pauly	Thiede
Bishop	Heap	McDonald	Pelowski	Tjornhom
Blatz	Himle	McEachern	Peterson	Tompkins
Boo	Hugoson	McKasy	Poppenhagen	Trimble
Brown	Jacobs	McLaughlin	Price	Tunheim
Burger	Jaros	McPherson	Quinn	Uphus
Carlson, D.	Jefferson	Milbert	Redalen	Valento
Carlson, L.	Jennings	Miller	Reding	Vellenga
Carruthers	Jensen	Munger	Rest	Voss
Clark	Johnson, A.	Murphy	Rice	Wagenius
Clausmitzer	Johnson, R.	Nelson, C.	Richter	Waltman
Cooper	Johnson, V.	Nelson, D.	Rodosovich	Welle
Dauner	Kahn	Nelson, K.	Rukavina	Wenzel
Dawkins	Kalis	Neuenschwander	Sarna	Winter
DeBlick	Kelly	O'Connor	Schafer	Wynia
Dempsey	Kelso	Ogren	Schreiber	Spk. Vanasek
DeRaad	Kinkel	Olsen, S.	Seaberg	
Dille	Kludt	Olson, E.	Segal	
Dorn	Knickerbocker	Olson, K.	Shaver	

The bill was passed, as amended, and its title agreed to.

S. F. No. 1223, 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 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 1 nay as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Kludt	Olson, E.	Schafer
Anderson, R.	Dorn	Krickerbocker	Olson, K.	Schreiber
Battaglia	Forsythe	Knuth	Omann	Seaberg
Bauerly	Frederick	Kostohryz	Onnen	Segal
Beard	Greenfield	Krueger	Orenstein	Shaver
Begich	Gruenes	Larsen	Osthoff	Simoneau
Bennett	Gutknecht	Lieder	Otis	Skoglund
Bertram	Hartle	Long	Ozment	Solberg
Bishop	Haukoos	Marsh	Pappas	Sparby
Blatz	Heap	McDonald	Pauly	Steensma
Boo	Himle	McKasy	Pelowski	Swenson
Brown	Hugoson	McLaughlin	Peterson	Tjornhom
Burger	Jaros	McPherson	Poppenhagen	Tompkins
Carlson, D.	Jefferson	Milbert	Price	Trimble
Carlson, L.	Jennings	Miller	Quinn	Tunheim
Carruthers	Jensen	Munger	Redalen	Uphus
Clark	Johnson, A.	Murphy	Reding	Valento
Clausnitzer	Johnson, R.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, V.	Nelson, D.	Rice	Wagenius
Dauner	Kahn	Nelson, K.	Richter	Welle
Dawkins	Kalis	Neuenschwander	Riveness	Wenzel
DeBlieck	Kelly	O'Connor	Rodosovich	Winter
Dempsey	Kelso	Ogren	Rukavina	Wynia
DeRaad	Kinkel	Olsen, S.	Sarna	Spk. Vanasek

Those who voted in the negative were:

Waltman

The bill was passed and its title agreed to.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Quinn moved that the name of Winter be added as an author on H. F. No. 2308. The motion prevailed.

Ogren moved that H. F. No. 1821, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Dempsey moved that H. F. No. 1658 be returned to its author. The motion prevailed.

McDonald, Omann, Schreiber, Waltman and Redalen introduced:

House Resolution No. 54, A House resolution commending the public service of Dr. Rollin M. Dennistoun at the Minnesota Department of Agriculture.

The resolution was referred to the Committee on Rules and Legislative Administration.

Ogren, Murphy and Munger introduced:

House Resolution No. 55, A House resolution commending William J. Houle for many years of service to the Fond du Lac Band of Chippewa Indians.

The resolution was referred to the Committee on Rules and Legislative Administration.

Kahn, Kalis, Wynia, Schreiber and Vanasek introduced:

House Resolution No. 56, A House resolution commending Northwest Airlines for banning smoking in airplanes.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1831:

Poppenhagen, McEachern and Sarna.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 85:

Begich, O'Connor and Brown.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1790:

Skoglund, Bishop and Wagenius.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, March 28, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Monday, March 28, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION—1988

SEVENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MARCH 25, 1988

The Senate met on Friday, March 25, 1988, which was the Seventy-sixth Legislative Day of the Seventy-fifth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 28, 1988

The House of Representatives convened at 11:00 a.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Robert Lang, Shakopee Baptist Church, Shakopee, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frerichs	Larsen	Onnen	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Shaver
Battaglia	Gruenes	Lieder	Osthoff	Simoneau
Bauerly	Gutknecht	Long	Otis	Skoglund
Beard	Hartle	Marsh	Ozment	Solberg
Begich	Haukoos	McDonald	Pappas	Sparby
Bennett	Heap	McEachern	Pauly	Stanius
Bertram	Himle	McKasy	Pelowski	Steensma
Blatz	Hugoson	McLaughlin	Peterson	Sviggum
Boo	Jacobs	McPherson	Poppenhagen	Swenson
Brown	Jaros	Milbert	Price	Thiede
Burger	Jefferson	Miller	Quinn	Tjornhom
Carlson, L.	Jennings	Minne	Quist	Tompkins
Carruthers	Jensen	Morrison	Redalen	Trimble
Clark	Johnson, A.	Munger	Reding	Tunheim
Clausnitzer	Johnson, R.	Murphy	Rest	Uphus
Cooper	Johnson, V.	Nelson, C.	Rice	Valento
Dauner	Kalis	Nelson, D.	Richter	Vellenga
Dawkins	Kelly	Nelson, K.	Riveness	Voss
DeBlieck	Kelso	Neuenschwander	Rodosovich	Wagenius
Dempsey	Kinkel	O'Connor	Rose	Waltman
DeRaad	Kludt	Ogren	Rukavina	Welle
Dille	Knickerbocker	Olsen, S.	Sarna	Wenzel
Dorn	Knuth	Olson, E.	Schafer	Winter
Forsythe	Kostohryz	Olson, K.	Scheid	Wynia
Frederick	Krueger	Omann	Schreiber	Spk. Vanasek

A quorum was present.

Carlson, D., was excused until 1:50 p.m. Seaberg was excused until 2:00 p.m. Bishop was excused until 2:50 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Larsen moved that further reading of the Journals be dis-

pensed 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. 2788, 2010, 445, 125, 1874, 2201, 2126, 1526, 2086, 2088, 2341, 2477 and 704 and S. F. Nos. 2214, 2102, 1652, 1744, 1700, 974, 2206, 2150, 2203, 2235, 2452, 2217, 2090, 1328, 1689, 1674, 1388, 1761, 1835, 994, 1304, 2376, 1795, 1661, 1932, 2243, 1955, 2292, 2289, 2456, 1632, 2355, 2097, 2191, 2323, 1851, 308, 1553, 1871, 2119, 1879, 2017, 2245, 335, 1830, 1735, 30, 2255, 1821, 2009, 2226, 2384, 2096, 1769, 2395, 2266, 1800, 1882, 1681, 1695 and 1861 have been placed in the members' files.

S. F. No. 2150 and H. F. No. 2429, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Peterson moved that the rules be so far suspended that S. F. No. 2150 be substituted for H. F. No. 2429 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1695 and H. F. No. 2078, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Otis moved that the rules be so far suspended that S. F. No. 1695 be substituted for H. F. No. 2078 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2096 and H. F. No. 2309, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 2096 be substituted for H. F. No. 2309 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1744 and H. F. No. 2430, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Scheid moved that the rules be so far suspended that S. F. No. 1744 be substituted for H. F. No. 2430 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1761 and H. F. No. 2241, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pappas moved that the rules be so far suspended that S. F. No. 1761 be substituted for H. F. No. 2241 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1304 and H. F. No. 1403, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Scheid moved that the rules be so far suspended that S. F. No. 1304 be substituted for H. F. No. 1403 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1674 and H. F. No. 2101, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Nelson, D., moved that S. F. No. 1674 be substituted for H. F. No. 2101 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2090 and H. F. No. 2585, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Neuenschwander moved that S. F. No. 2090 be substituted for H. F. No. 2585 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1632 and H. F. No. 1953, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bennett moved that S. F. No. 1632 be substituted for H. F. No. 1953 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 994 and H. F. No. 1164, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 994 be substituted for H. F. No. 1164 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1661 and H. F. No. 1921, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 1661 be substituted for H. F. No. 1921 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 974 and H. F. No. 681, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Skoglund moved that S. F. No. 974 be substituted for H. F. No. 681 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2452 and H. F. No. 2478, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kelly moved that S. F. No. 2452 be substituted for H. F. No. 2478 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2214 and H. F. No. 2349, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No. 2214 be substituted for H. F. No. 2349 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1835 and H. F. No. 2289, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 1835 be substituted for H. F. No. 2289 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1830 and H. F. No. 2167, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seaberg moved that the rules be so far suspended that S. F. No. 1830 be substituted for H. F. No. 2167 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2384 and H. F. No. 2567, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 2384 be substituted for H. F. No. 2567 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2191 and H. F. No. 2187, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

O'Connor moved that S. F. No. 2191 be substituted for H. F. No.

2187 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2097 and H. F. No. 2186, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rice moved that S. F. No. 2097 be substituted for H. F. No. 2186 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 335 and H. F. No. 926, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 335 be substituted for H. F. No. 926 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1769 and H. F. No. 2054, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 1769 be substituted for H. F. No. 2054 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1086 and H. F. No. 445, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Krueger moved that the rules be so far suspended that S. F. No. 1086 be substituted for H. F. No. 445 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1681 and H. F. No. 1932, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Riveness moved that the rules be so far suspended that S. F. No. 1681 be substituted for H. F. No. 1932 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2119 and H. F. No. 2021, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Blatz moved that the rules be so far suspended that S. F. No. 2119 be substituted for H. F. No. 2021 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2235 and H. F. No. 2286, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tunheim moved that the rules be so far suspended that S. F. No. 2235 be substituted for H. F. No. 2286 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2217 and H. F. No. 2475, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Voss moved that the rules be so far suspended that S. F. No. 2217 be substituted for H. F. No. 2475 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1932 and H. F. No. 2047, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hartle moved that the rules be so far suspended that S. F. No. 1932 be substituted for H. F. No. 2047 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2203 and H. F. No. 2486, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Blatz moved that the rules be so far suspended that S. F. No. 2203 be substituted for H. F. No. 2486 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1652 and H. F. No. 2381, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kludt moved that S. F. No. 1652 be substituted for H. F. No. 2381 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2102 and H. F. No. 2234, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nelson, K., moved that the rules be so far suspended that S. F. No. 2102 be substituted for H. F. No. 2234 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1955 and H. F. No. 1745, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Knuth moved that the rules be so far suspended that S. F. No. 1955 be substituted for H. F. No. 1745 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2266 and H. F. No. 2148, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No.

2266 be substituted for H. F. No. 2148 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1871 and H. F. No. 1956, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Blatz moved that the rules be so far suspended that S. F. No. 1871 be substituted for H. F. No. 1956 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2292 and H. F. No. 2502, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carlson, D., moved that the rules be so far suspended that S. F. No. 2292 be substituted for H. F. No. 2502 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1821 and H. F. No. 1873, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Segal moved that the rules be so far suspended that S. F. No. 1821 be substituted for H. F. No. 1873 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2289 and H. F. No. 2542, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 2289 be substituted for H. F. No. 2542 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2355 and H. F. No. 2540, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Riveness moved that the rules be so far suspended that S. F. No. 2355 be substituted for H. F. No. 2540 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 308 and H. F. No. 89, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Simoneau moved that S. F. No. 308 be substituted for H. F. No. 89 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 30 and H. F. No. 90, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Haukoos moved that the rules be so far suspended that S. F. No. 30 be substituted for H. F. No. 90 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1879 and H. F. No. 2057, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 1879 be substituted for H. F. No. 2057 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2017 and H. F. No. 2400, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2017 be substituted for H. F. No. 2400 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1882 and H. F. No. 1849, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 1882 be substituted for H. F. No. 1849 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2395 and H. F. No. 2042, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pappas moved that the rules be so far suspended that S. F. No. 2395 be substituted for H. F. No. 2042 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1553 and H. F. No. 1685, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kelly moved that the rules be so far suspended that S. F. No. 1553 be substituted for H. F. No. 1685 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2243 and H. F. No. 2620, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dorn moved that S. F. No. 2243 be substituted for H. F. No. 2620 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2376 and H. F. No. 2621, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 2376 be substituted for H. F. No. 2621 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1700 and H. F. No. 1857, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Price moved that S. F. No. 1700 be substituted for H. F. No. 1857 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2323 and H. F. No. 2605, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 2323 be substituted for H. F. No. 2605 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2206 and H. F. No. 2370, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Vellenga moved that S. F. No. 2206 be substituted for H. F. No. 2370 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1795 and H. F. No. 2112, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Forsythe moved that the rules be so far suspended that S. F. No. 1795 be substituted for H. F. No. 2112 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1328 and H. F. No. 1082, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Beigich moved that the rules be so far suspended that S. F. No. 1328 be substituted for H. F. No. 1082 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2009 and H. F. No. 2118, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Vellenga moved that the rules be so far suspended that S. F. No. 2009 be substituted for H. F. No. 2118 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 649, A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide notice of certain actions related to work force reductions; amending Minnesota Statutes 1986, section 267.05, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 268A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1251, A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172,

subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194.

Reported the same back with the following amendments:

Page 18, line 29, delete everything after "(4)"

Page 18, line 30, delete "in Hennepin county and"

Page 18, line 35, before the period insert "if the board of county commissioners, after consultation with the court, has specifically authorized this dispositional alternative for a child"

Page 19, line 20, delete everything after "licensed" and insert "to operate a residential program under sections 245A.01 to 245A.16"

Page 19, line 21, delete "to 245.813"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1746, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06.

Reported the same back with the following amendments:

Page 4, line 21, after the period insert "No more than three of the five members may be of the same gender."

Page 4, delete lines 22 to 25 and insert:

"The commissioner of veterans affairs is an ex officio, nonvoting member of the board. The chair of the senate veterans affairs committee and the chair of the house committee on general legislation, veterans affairs, and gaming serve as ex officio, nonvoting members of the board if they are veterans. In the event that one or both of the chairs are not veterans, then any member of the respective committees who is a veteran may be designated by the chair to serve on the board."

Page 4, line 30, after "directors" insert "must be made by April 1, 1988, and"

Page 5, line 8, after the semicolon insert "and"

Page 5, delete lines 9 to 11

Page 5, line 12, delete "(4)" and insert "(3)"

Page 6, lines 26 and 27, delete "The deputy commissioner may remove an administrator with the approval of the board."

Page 6, line 29, after the period insert "An administrator may be removed only for cause."

Page 7, line 2, delete "144.072" and insert "144.0722"

Page 7, line 4, delete "adopt a" and insert "use the"

Page 7, line 5, delete "such as the one"

Page 16, line 27, after "transfer" insert "occurs when licenses are issued under section 30. This transfer"

Page 16, delete lines 30 to 36 and insert:

"The board of directors shall apply to the commissioner of health for new licenses for the Minnesota veterans homes in Minneapolis and Hastings. The commissioner shall issue licenses when all licensing requirements have been met.

Before the license is transferred, the department of health will conduct an on-site review of the Minnesota veterans homes and publicize the results of the review to the general public."

Page 17, line 1, delete everything before "The"

Page 17, line 13, delete "Sections 1 to 32" and insert "Section 5, subdivision 6, is effective January 1, 1989. Sections 1 to 4, 6 to 32, and the remaining subdivisions of section 5"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 15, strike "and"

Page 2, line 16, after "(9)" insert "adopt rules, including emergency rules, under chapter 14 to implement the provisions of sections 237.50 to 237.56; and

(10)"

Page 3, line 17, strike "its" and insert "each"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2095, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending

Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivisions 1 and 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 2116, A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; and 10A.25, subdivision 10.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041; subdivisions 1, 2, 3, 4, 7, and by adding subdivisions;

62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.18; and 62D.19; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Reported the same back with the following amendments:

Page 8, line 34, delete "50" and insert "33"

Page 9, line 2, delete "50" and insert "33"

Page 9, line 7, delete "April 1" and insert "December 31"

Page 9, line 12, delete "50" and insert "33"

Page 9, line 29, delete "50" and insert "33"

Page 12, line 1, delete "April 1, 1992" and insert "December 31, 1993"

Page 12, line 5, delete "April 1" and insert "December 31"

Page 12, line 6, delete "one-fourth" and insert "one-fifth"

Page 12, line 9, delete "April 1" and insert "December 31"

Page 12, line 10, delete "one-half" and insert "two-fifths"

Page 12, line 13, delete "April 1" and insert "December 31"

Page 12, line 14, delete "three-fourths" and insert "three-fifths"

Page 12, after line 16, insert:

"(e) On December 31, 1992, organizations shall have a net worth of four-fifths of an amount equal to 8 $\frac{1}{3}$ percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater."

Page 13, after line 1, insert:

"(c) No provider may be compelled to serve as a guaranteeing organization."

Page 20, line 1, after the period insert "The commissioner may require major participating entities to submit such financial statements directly to the commissioner."

Page 21, line 13, delete "a provider's compensation" and insert "the compensation of a provider or of a participating entity providing financial or administrative services to the health maintenance organization"

Page 21, line 14, after "days" insert "and shall not be renewed or extended"

Page 22, line 2, delete everything after "(b)" and insert "Reasonable expenses of examinations under this subdivision shall be assessed by the commissioner of health against the health maintenance organization being examined and shall be deposited into the examination revolving fund established by this subdivision."

Page 22, delete line 3

Page 22, line 4, delete everything before "Money"

Page 22, after line 6, insert:

"(c) Until the commissioner has collected sufficient money pursuant to paragraph (b), the commissioner may use funds appropriated to the department of health for other purposes, such funds to be reimbursed by the revolving fund when it contains sufficient money."

Page 22, line 7, delete "(c)" and insert "(d)"

Page 22, line 10, delete "(d)" and insert "(e)"

Page 22, line 15, delete "(e)" and insert "(f)"

Page 24, after line 26, insert:

"Sec. 27. Minnesota Statutes 1986, section 62E.02, subdivision 13, is amended to read:

Subd. 13. "Eligible person" means an individual who is currently and has been a resident of Minnesota for the six months immediately preceding the date of receipt by the association or its writing carrier of a completed certificate of eligibility and who meets the enrollment requirements of section 62E.14.

Sec. 28. Minnesota Statutes 1987 Supplement, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative

means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, ~~1989~~ 1990.

The commissioner of commerce in consultation with the governor's commission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the Minnesota comprehensive health association (MCHA). In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of MCHA and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current MCHA funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation.

Sec. 29. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, list of residences for the immediately preceding six months and length of time at current residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; and

(e) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan."

Page 24, line 27, delete "27" and insert "30"

Page 24, line 30, delete "28" and insert "31"

Page 24, line 31, delete "27" and insert "30"

Amend the title as follows:

Page 1, line 19, delete "and"

Page 1, line 20, after the semicolon insert "62E.02, subdivision 13; and 62E.14, subdivision 1;" and delete "section" and insert "sections"

Page 1, line 21, after the semicolon insert "and 62E.10, subdivision 9;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2130, A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based nonresidential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.09, subdivision 1; and 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1986, section 144.651, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility or a regional treatment center for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and board and care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age."

Page 4, line 17, delete everything after "commitment"

Page 4, line 18, delete everything before the comma

Page 4, line 20, delete "OR CONTINUANCE" and insert "OF ORDER"

Page 4, line 21, delete "or continuing a hearing for more than 14 days"

Page 4, line 27, after the semicolon, insert "and"

Page 4, delete lines 28 to 30

Page 4, line 31, delete "(4)" and insert "(3)" and delete "a hearing for"

Page 4, line 32, delete "commitment or"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after "sections" insert "144.651, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2138, A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Reported the same back with the following amendments:

Page 3, lines 25 and 26, strike "to which the client is entitled to access".

Page 3, line 28, delete "or" and strike "confidential"

Page 3, line 30, after the period insert "The ombudsman is not required to obtain consent for access to private data on clients with mental retardation or a related condition."

Page 4, line 5, after the period insert "The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with mental retardation or a related condition."

Page 4, line 6, delete everything after "(h)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2344, A bill for an act relating to natural resources; changing certain provisions relating to fees; amending Minnesota Statutes 1987 Supplement, sections 85.055, subdivision 1; and 105.44, subdivision 10.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STATE DEPARTMENTS; 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 "1988" and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
General	\$ 722,200	\$12,848,800	\$13,571,000
Special Revenue	637,200	1,893,800	2,531,000
Game and Fish	95,000	0	95,000
Workers' Comp.	95,000	0	95,000
Environmental	0	238,500	238,500
Metro Landfill Abatement	8,500	40,800	49,300
Metro Landfill Contingency	8,500	40,800	49,300
Water Pollution Control	100,000	0	100,000
TOTAL	\$1,666,400	\$15,062,700	\$16,729,100

APPROPRIATIONS
Available for the Year
Ending June 30

	1988	1989
	\$	\$

Sec. 2. LEGISLATURE

\$60,000

This appropriation is from the general Fund and is added to the appropriation in Laws 1987, chapter 404, section 2, and shall be used to pay the dues associated with the state of Minnesota's membership in the National Conference of State Legislatures State and Local Legal Center. Any unencumbered balance at the end of the first year shall be available for the second year.

Legislative Auditor

100,000

This appropriation is to cover the cost of auditing the University of Minneso-

	1988	1989
	\$	\$

ta's physical plant operations. The University of Minnesota is liable to the legislative auditor for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor shall bill the university either monthly or at the conclusion of the audit. Collections received for the audits must be credited to the general fund to reimburse it for this appropriation.

The office of the legislative auditor program evaluation division shall conduct an evaluation of the Minnesota Housing Finance Agency's programs. The study shall include, but not be limited to, an evaluation of the criteria used to qualify potential buyers as low income. The auditor shall prepare a report for presentation to the legislature by January 1, 1989, indicating its findings, observations, and recommendations relative to the agency's ability to meet the current demand for low income housing.

Sec. 3. SUPREME COURT

850,000

This appropriation is to the supreme court for funding of the family farm legal assistance program in fiscal year 1989.

The supreme court administrator shall study and report to the legislature by January 1, 1989, on the costs and benefits to litigants of the use of video or audio tape recording of civil litigation and administrative hearings instead of stenotype and transcription recordings of those proceedings. The study shall also include the equipment cost recovery of alternative recording systems.

Sec. 4. BOARD OF PUBLIC DEFENSE

55,000

1988

1989

\$

\$

\$55,000 is for an intergovernmental relations position. The person hired for this position shall be knowledgeable in criminal defense procedures and criminal defense investigation.

The approved complement of the board of public defense is increased by one in fiscal year 1989.

Sec. 5. LT. GOVERNOR

10,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 9 and is to be used for the purchase and upgrading of the office's computer capability.

Sec. 6. ADMINISTRATION

131,300

808,900

Summary by Fund

General Fund	\$ 12,000	\$320,000
Special Revenue	\$119,300	\$488,900

\$119,300 in fiscal year 1988 and \$488,900 in fiscal year 1989 is appropriated from the special revenue fund for 911 emergency services and is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 3.

\$12,000 in fiscal year 1988 is appropriated from the general fund and is to the information policy office to plan and conduct a system architecture conference for legislators and key executive branch personnel. This appropriation is an addition to the funds appropriated in Laws 1987, chapter 404, section 16, subdivision 3.

Notwithstanding any other law to the contrary, \$150,000 is appropriated to the information policy office from the

1988

1989

\$

\$

general fund in fiscal year 1989 to establish not less than three experimental computer centers to demonstrate the effectiveness of a distributive computing model for a wide range of computer applications in the field of education, including financial and student management. No district may apply for less than \$20,000 or more than \$50,000 for the purposes of this program. For the purposes of this section, reporting requirements to the state and all data standards are to be maintained, but all other requirements, except financial obligations, will be waived. The information policy office will evaluate the experimental centers, prepare a study, and report to the legislature by January 1, 1990, making recommendations concerning the feasibility of expanding the concept of individual computer centers statewide. This appropriation is added to the funds appropriated in Laws 1987, chapter 404, section 16, subdivision 3.

\$20,000 is appropriated to the information policy office to facilitate with technical expertise efforts to move the legislature towards the usage of more interactive technologies. The information policy office will draft a plan to improve citizen input and to improve the efficiency and operations of the legislature. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 3.

\$95,000 is appropriated from the general fund in fiscal year 1989 for a grant to Twin Cities Regional Cable Channel, Inc. for programming. \$60,000 of this grant is to be matched dollar for dollar from contributions from non-state sources. \$35,000 of the grant is to be used for legislative programming. All legislative programming done under this grant shall be accessible to

1988

1989

\$

\$

local cable stations at cost of video tape for distribution. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 5.

\$5,000 is appropriated to the commissioner from the general fund to study the feasibility of using ink with a soybean oil base for printing done by the commissioner, by other state agencies, and by private vendors under contract to agencies in all branches of state government. The study must include the cost implications to the state of using ink with a soybean oil base, the types of printing jobs that can and cannot be done effectively with this ink, and any transitional steps that would have to be taken to implement the use of ink with a soybean oil base. The commissioner shall report the results of the study to the legislature by January 1, 1989. This appropriation is to be matched with funds from other nonstate sources. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 5.

\$50,000 is appropriated from the general fund for the community services and volunteer initiative program. The department of administration's authorized general fund complement is increased by one position. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 5 and is only available if the community services program school districts established in article 4, section 4 of a bill styled as H.F. No. 2245 are enacted into law. The commissioner shall ensure that this initiative is consistent and coordinated with the volunteer program in this same section of H.F. No. 2245.

The approved complement of the department of administration is in-

	1988	1989
	\$	\$
creased by two special revenue fund positions in fiscal year 1989.		

The commissioner of administration shall complete phase II of the study comparing the costs of leasing office space in privately owned buildings versus construction of new office buildings to house state departments and agencies. This study shall include a report to the legislature by January 1, 1989, that addresses the feasibility of lease-purchase options, includes considerations of life-cycle costing, and provides recommendations for a state policy relative to housing of state offices in the twin cities metropolitan area.

The commissioner shall study the feasibility of making state surplus property from the departments of transportation, corrections, natural resources, and public safety available to Indian communities and shall report the findings, including an evaluation of the program currently being conducted in the department of natural resources, to the legislature by January 1, 1989.

Any office building of greater than 50,000 square feet built, purchased, or leased by the state of Minnesota after the effective date of this act and any state-owned or leased office building of greater than 50,000 square feet that is substantially remodeled after the effective date of this act must include space usable for child care services. The commissioner may prepare a day-care site as a common usage space for the capitol complex. The commissioner may determine that it is unreasonably costly to provide this space and waive the requirements of this paragraph.

Sec. 7. FINANCE

All refunds received from the federal government for excise taxes paid on

1988

1989

\$

\$

motor vehicle fuels are appropriated, in the year the refund is received, to the state agency that paid the tax.

Sec. 8. EMPLOYEE RELATIONS

191,000

\$166,000 of this appropriation is added to the appropriation for the same purpose in Laws 1987, chapter 404, section 19, subdivision 5, and is likewise repayable within five years.

The approved complement of the department of employee relations is increased by four positions in fiscal year 1989.

The commissioner of employee relations may use FICA savings generated from the dependent care expense account program to pay for the administrative costs of the program.

\$25,000 is appropriated to the commissioner of employee relations for the purpose of completing a job evaluation study to determine the comparable worth value of direct care staff positions in intermediate care facilities for the mentally retarded, waived residential services, semi-independent living service programs, and developmental achievement centers that are licensed by the department of human services or by a county. A report on the results of the study shall be made to the legislature by February 1, 1989.

Sec. 9. REVENUE

397,900

321,500

Summary by fund

General Fund	\$263,000	\$ 0
Special Revenue	\$117,900	\$239,900
Metro Landfill		
Abatement	\$ 8,500	\$ 40,800
Metro Landfill		
Contingency	\$ 8,500	\$ 40,800

	1988	1989
Of this amount \$263,000 in fiscal year 1988 is a one time appropriation to the department from the general fund for the purposes of processing property tax relief legislation and is available until expended.	\$	\$

\$117,900 in fiscal year 1988 and \$239,900 in fiscal year 1989 are appropriated to the special revenue fund from the corporate franchise tax receipts. These amounts represent a salary supplement for salary expenses paid from the special revenue fund.

In fiscal year 1988 \$8,500 is transferred from the metropolitan landfill abatement fund and \$8,500 is transferred from the metropolitan landfill contingency action fund to the department of revenue for the purpose of reimbursing the department for cost incurred by the department in administering Minnesota Statutes, section 473.843 during fiscal year 1988.

\$40,800 in fiscal year 1989 is appropriated from the metropolitan landfill contingency action fund and in fiscal year 1989 \$40,800 is appropriated from the metropolitan landfill abatement fund to the department of revenue for the purpose of administering Minnesota Statutes, section 473.843.

Sec. 10. NATURAL RESOURCES	859,200	6,628,000
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Summary by Fund

General Fund	\$364,200	\$5,463,000
Game and Fish	\$ 95,000	
Special Revenue	\$400,000	\$1,165,000

\$400,000 in fiscal year 1988 and \$490,000 in fiscal year 1989 is appropriated from the forest management special revenue fund for forest nurseries and is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 4.

1988

1989

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\$

\$400,000 is appropriated from the state forest road account in the special revenue fund established by this act and is added to the funds appropriated in Laws 1987, chapter 404, section 22, subdivision 4.

\$275,000 is appropriated from the county forest access road account established by this act and is added to the funds appropriated in Laws 1987, chapter 404, section 22, subdivision 4.

\$80,000 is appropriated from the general fund for hybrid aspen study and is added to the funds appropriated in Laws 1987, chapter 404, section 22, subdivision 4. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

The commissioner shall seek funding from the R.I.M. program for the funds requested in the governor's 1988 supplemental budget for the conservation reserve program.

\$270,000 is appropriated from the general fund for the statewide forest inventory and is added to the funds appropriated in Laws 1987, chapter 404, section 22, subdivision 4. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$50,000 in fiscal year 1988 is appropriated for the development of an observation deck and picnic area at Thief Lake wildlife management area. This appropriation is from the general fund and is an addition to the funds appropriated in Laws 1987, chapter 404, section 22, subdivision 7.

1988

1989

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\$

\$8,000 is appropriated from the general fund to rehabilitate the Norris Tower picnic site on the Red Lake wildlife management area. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 7.

The commissioner shall study and report to the legislature by January 1, 1989, the feasibility of a land exchange with Olmsted county for the wildlife lands located adjacent to the former Rochester State Hospital facility.

\$5,050,000 is appropriated from the general fund and is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 7, to be used for annual payments to the bands of Chipewewa Indians affected by the 1854 Treaty Settlement ratified by H.F. No. 2216.

Recognizing that the federal government bears responsibility for the terms and conditions of the treaty and should bear the costs of settling claims associated with the treaty, the commissioner shall seek reimbursement for all or part of the state appropriation from the federal government. The commissioner shall solicit the support of all similarly situated states, including but not limited to Wisconsin and Michigan, in seeking federal reimbursement.

\$20,000 is appropriated from the general fund in fiscal year 1989 and is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 5, and is to be used to conduct a feasibility study and report to the legislature by January 1, 1989, addressing the costs associated with the continued use of the former "Tettegouche Camp Buildings" located within Tettegouche State Park.

1988

1989

\$

\$

\$35,000 is appropriated from the general fund in fiscal year 1989 for a lease purchase agreement and for safety purposes on the abandoned Burlington Northern railroad line between Baxter and Bemidji, Minnesota designated as the Paul Bunyan Trail by an act styled as H.F. No. 2155. This appropriation is added to the appropriation in Laws 1987, section 22, subdivision 6.

Notwithstanding Minnesota Statutes, section 344.03, subdivision 1, a part of the settlement of a property line dispute on the Hinckley to Moose Lake segment of the Minnesota-Wisconsin Boundary State Trail (Willard Munger State Trail) the commissioner shall fence the state property boundary line located in T41N, R21W, section 13 in SE $\frac{1}{4}$ and NE $\frac{1}{4}$ of the SW $\frac{1}{4}$.

\$300,000 is appropriated from the general fund in fiscal year 1989 and is to be used as a grant to the Iron Range resources and rehabilitation board for pumping costs associated with the operation of Hill Annex Mine. The commissioner of the IRRRB may seek additional matching funds from organizations having access to historical preservation funds to complement this grant. The department of natural resources and the IRRRB shall prepare a financial report on the use of this grant for the chairs of the house appropriations and senate finance committees no later than January 1, 1990.

\$95,000 is appropriated from the game and fish fund in fiscal year 1988 and \$14,200 is appropriated from the general fund in fiscal year 1988 and is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 8, and is to be used to fund salary range compression for conservation officers resulting from an arbitration award. Any unencumbered balance for

1988

1989

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\$

the first year shall be made available for the second year. Should the department be faced with holding conservation officer positions vacant because of funding constraints as a result of this arbitration, the department shall consider such factors as population density, enforcement issues, intensity of public use, and impact on the efforts to protect the state's natural resources in determining which positions will be held vacant and those positions assigned to undercover activities shall be assigned the lowest priority and shall be eliminated before other conservation officer positions are held vacant.

The commissioner in cooperation with the commissioner of the Minnesota department of transportation shall study the feasibility of connecting St. Croix State Park and the Hinckley Trail via a MNDOT right-of-way and report to the legislature by January 1, 1989.

The commissioner shall study the feasibility of expanding the boundaries of Split Rock Lighthouse state park or another more suitable state park on the North shore of Lake Superior to include sunken ships for underwater interpretation. The study shall include but not be limited to the legal ramifications of annexing such a site, the cost of such an annexation, the quality of the underwater diving experience that the site would offer and a potential timetable for acquisition. The commissioner shall report the study to the legislature by January 1, 1989.

Sec. 11. MINNESOTA ZOOLOGICAL GARDENS

1,400,000

\$200,000 is for a grant for the permanent exhibition of an exotic species that has a high visitor appeal, will serve to further the education mission of the zoological garden and has been exhibited successfully in other zoos.

1988

1989

\$

\$

\$1,200,000 is for a grant to the zoological garden for renovation of the water and filtration systems which serve the existing beluga whale facility. None of the grant money may be released until the zoo board has completed and submitted to the chair of the senate finance and chair of the house appropriations committees a final construction plan for the renovation of the beluga whale facility into a marine exhibit. The final construction plan must include a detailed plan by the zoological board for financing the remainder of the project. If the financing includes using funds from the zoological garden's reserve fund, the financing plan must include a plan for the replenishing of the reserve fund.

The Minnesota zoological garden must be open to the public without charge for at least two days each month. However, the zoo may charge at any time for special services and for admission to special facilities for the education, entertainment, or convenience of visitors.

Sec. 12. POLLUTION CONTROL
AGENCY

100,000

336,500

Summary by Fund

General	\$ 98,000
Environmental	\$238,500
Water Pollution Control	\$100,000

\$63,000 of this appropriation shall be transferred to the Department of Health for upgrading laboratory facilities used for testing water quality samples and training associated staff. This appropriation is from the general fund and is to be added to the appropriation in Laws 1987, chapter 404, Section 24, subdivision 2.

1988

1989

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\$35,000 is appropriated in fiscal year 1989 from the general fund as a grant to the Minnesota Emergency Responders Training Academy for hazardous materials handling training and is in addition to the funds appropriated in Laws 1987, chapter 404, section 24, subdivision 4. The funding and position for this project are available until June 30, 1989.

\$2,500,000 of the unencumbered balance in the water pollution control fund must be canceled and transferred to the general fund on July 1, 1988.

\$238,500 is appropriated from the environmental fund in fiscal year 1989 for property transfer assistance and is added to the funds appropriated in Laws 1987, chapter 404, section 24, subdivision 4. The approved complement for the pollution control agency from the environmental fund is increased by six positions, two of which are full-time temporary positions in the unclassified service, to develop an automated data base. When the data base is operational the unclassified positions terminate and the approved complement of the agency is reduced accordingly.

\$100,000 is appropriated from the water pollution control fund for the municipal litigation loan program established by this act. Repayments of the loans shall be credited to the fund. This appropriation is an addition to the funds appropriated in Laws 1987, chapter 404, section 24, subdivision 5. Any unencumbered balance at the end of the first year does not cancel and is available for the second year.

Sec. 13. HOUSING FINANCE AGENCY

200,000

1988

1989

\$200,000 is appropriated from the general fund for a demonstration rehabilitation project of 8-10 units under the housing grants for homeless individuals program created by the 1988 house of representatives' omnibus health and human services bill. The agency will study and evaluate this project and report the results to the legislature by January 1, 1990. This study shall include a recommendation concerning the feasibility of continuing this program. This appropriation is added to the appropriation in Laws 1987, chapter 404, section 28, subdivision 1.

Sec. 14. TRADE AND ECONOMIC DEVELOPMENT

23,000

991,500

Subdivision 1. Tourist Information Offices

\$ 23,000

\$770,000

The approved complement of the department of trade and economic development is increased by ten positions in 1989.

The metropolitan airports commission shall establish, fund, maintain, and operate a travel information center at the Minneapolis-St. Paul international airport. This shall consist of four positions and at least \$80,000 per year. The metropolitan airports commission shall consult with the office of tourism regarding proper staffing and information to be provided.

The complement of the department of Transportation is decreased by ten positions in fiscal year 1989.

Subd. 2. World Trade Center Marketing

\$ 0

\$ 50,000

	1988	1989
	\$	\$
<p>The department of trade and economic development shall fully implement the terms and conditions of the interagency agreement signed with the Minnesota World Trade Center corporation to market and schedule the conference and training center.</p>		

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 26, subdivision 2.

Subd. 3. Council on Productivity and Quality

Any unencumbered balance of the appropriation for the Minnesota council on productivity and quality for fiscal year 1988 may be carried forward to fiscal year 1989.

The purpose of adding three new members to the Minnesota council on productivity and quality referred to in section 50 is to address the gender imbalance of the council.

Subd. 4. Amateur Sports Commission

\$ 0	\$121,500
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The amount appropriated in Laws 1987, chapter 400, section 13 is available to meet the cost incurred by an amateur sports facility in hosting and operating events that are (i) conducted at an amateur sports facility under an agreement with the national governing body for an amateur sport; and (ii) sanctioned or sponsored by the Minnesota amateur sports commission under Minnesota Statutes, chapter 240A.

The metropolitan airports commission in consultation with the Minnesota

1988

1989

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amateur sports commission shall study the potential effects that Laws 1979, extra session chapter 1, section 5 and Minnesota Statutes, sections 360.061 to 360.074 will have on the operation, long-term success, and economic viability of the national sports center in Blaine. The report must also include an estimation of the potential impacts that Laws 1979, extra session chapter 1, section 5 and Minnesota Statutes, sections 360.061 to 360.074 will have on the ability of the Minnesota amateur sports commission to attract national events to the national sports center in Blaine. The metropolitan airports commission and the Minnesota amateur sports commission shall jointly present a report to the chair of the senate finance and the chair of house appropriations committee by February 15, 1989.

Of this appropriation, \$38,500 is for the purpose of a grant to a nonprofit corporation to operate the national sports center at Blaine. This grant is available only upon demonstration by the commissioner of finance of a dollar for dollar match with nonstate contributions and a written agreement from the Minnesota amateur sports commission providing for the reimbursement of the general fund as set forth in this subdivision. The state general fund must be reimbursed for this appropriation from revenues generated by the operation of the national sports center. Reimbursement shall be made by July 1, 1991.

The employees of the nonprofit corporation may not be state employees.

\$83,000 is for general operating expenses of the Minnesota amateur sports commission. The Minnesota amateur sports commission shall continue to encourage, promote, and assist local and regional amateur sports groups and facilities.

1988

1989

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\$

The approved complement of the amateur sports commission is increased by one in fiscal year 1989.

Subd. 5. Park Acquisition

\$50,000 is appropriated to the commissioner of trade and economic development for the purpose of a grant to a nonprofit association or fraternal organization for the acquisition of a park on land formerly owned by United States steel corporation on Trout Lake in Itasca county.

Subd. 6. Administrative Expenses

\$15,000 of the fiscal year 1989 appropriation under Laws of Minnesota 1987, chapter 404, section 26, subdivision 9, is available to the commissioner for the costs of administering the contract for consultant services for development of the trade model.

Subd. 7. Economic Recovery Grants

Up to \$800,000 of the appropriation for economic recovery grants is available for projects located within the geographic boundaries of at least one of four or more local units of government acting under a joint powers agreement under the cooperative secondary facilities grant act. A municipality located in a local unit acting under a joint powers agreement must apply for a grant. Applications must be made to the commissioner of trade and economic development. Notwithstanding Minnesota Statutes, section 116J.873, a grant under this subdivision may be for more than \$500,000 and a specific project does not have to be identified. A grant under this subdivision must be

1988

1989

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\$

used for a manufacturing project and at least \$1 of nonstate money must be used for every \$4 of grant money. A grant under this paragraph may not be used to finance a project for an existing business that is transferring all or a part of its operations as a result of the grant.

Sec. 15. WORLD TRADE CENTER CORPORATION

430,300

This appropriation is for general operating expenses and is available until June 30, 1989.

Any unexpended funds appropriated to the commissioner of administration for operating expenses of the conference and service center in the Minnesota World Trade Center are available to the Minnesota World Trade Center board for general operating expenses and program development for the center.

The Minnesota World Trade Center board shall make a report to the legislature by March 1, 1989. This report shall include a three-year plan, a detailed outline of what steps the trade center board will take to implement this plan, and a description of the activities that have taken place to implement the plan.

Sec. 16. STATE PLANNING AGENCY

85,000

\$10,000 is appropriated from the general fund in fiscal year 1989 and is added to the appropriation in Laws 1987, chapter 404, section 29, and used for payment of the state of Minnesota's annual dues in the Harvard University's program on Information Resources Policy.

	1988	1989
	\$	\$
<p>\$75,000 is appropriated from the general fund in fiscal year 1989 for aquaculture and is available until June 30, 1989. The state planning agency shall seek matching funds for this project from other major agencies involved in the project. This appropriation is in addition to the funds appropriated in Laws 1987, chapter 404, section 29.</p>		

The commissioner of the state planning agency shall continue the state/local responsibility study from existing resources.

Sec. 17. LABOR AND INDUSTRY 95,000

This is a one-time appropriation from the workers compensation special compensation fund for the purpose of a medical cost study. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent above the salary of workers' compensation settlement judges at the department of labor and industry.

A chief judge may be designated and serve at the pleasure of the commissioner.

Sec. 18. MILITARY AFFAIRS 2,297,000

Subdivision 1. State Cash Bonus Payments

\$722,000

1988

1989

\$

\$

The adjutant general shall pay a state cash bonus of \$100 no later than June 30, 1989, to any member of the Minnesota national guard who has served satisfactorily, as defined by the adjutant general, as an active member of the Minnesota national guard during the 1988 state fiscal year and who reenlists in the Minnesota national guard. The adjutant general shall also pay a state cash bonus of \$200 to any person who enlists in the Minnesota national guard for the first time between July 1, 1988, and June 30, 1989.

The amount available for the bonus payments is limited to the amount appropriated for such payments in this section.

Subd. 2. Tuition Reimbursement

\$1,575,000

The adjutant general shall establish a program providing tuition reimbursement for members of the Minnesota national guard in accordance with this section.

An active member of the Minnesota national guard serving satisfactorily, as defined by the adjutant general, at any time during fiscal year 1989, shall be reimbursed for tuition paid during fiscal year 1989 to a post-secondary education institution that is an eligible institution as defined by Minnesota Statutes, section 136A.15, subdivision 5, upon proof of satisfactory completion of course work.

In the case of tuition paid to a public institution located in Minnesota, tuition is limited to an amount equal to 50 percent of the cost of tuition at the University of Minnesota for school year 1988-1989 except as provided in this section.

1988

1989

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\$

In the case of tuition paid to a private institution within or without Minnesota or a public institution not in Minnesota, reimbursement is limited to 50 percent of the average tuition at the University of Minnesota during the 1988-1989 school year, except as provided in this section.

In the case of tuition paid to a public or private technical or vocational school or community college located within or without Minnesota, for a single course or limited number of courses the completion of which do not result in a degree, the full amount of tuition up to \$250 must be reimbursed.

The maximum amount of tuition reimbursement for each eligible individual shall be determined by the adjutant general according to rules formulated within 30 days of the effective date of this section.

The amount available for the tuition assistance is limited to the amount appropriated for tuition assistance in this section.

The department of military affairs shall keep an accurate record of the recipients of the bonus awards and tuition grants. The department shall make an interim report to the legislature by March 1, 1989, on the effectiveness of the bonus payments and tuition assistance program in retaining and recruiting members for the Minnesota national guard. The final report to the legislature shall be made by August 1, 1989. These reports shall include, but are not limited to, a review of the effect that the bonus payments, and tuition assistance programs have on the reenlistment rate of guard members and the recruitment of new members. The report shall include an accurate record of the effect that both the tuition reim-

1988

1989

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\$

bursement program and the bonus payments have on the recruitment and retention of members by rank, operational unit, unit location, individual income level, race, and sex.

The department of military affairs shall make a specific effort to recruit and retain women and members of minority groups into the guard through the use of the tuition reimbursement and bonus payments program.

Sec. 19. HUMAN RIGHTS

30,000

This appropriation is for the salary and other expenses of word processing services.

The approved complement of the department of human rights is increased by one in fiscal year 1989.

The department shall consult with the information policy office regarding its future data processing needs.

Sec. 20. COUNCIL ON THE AFFAIRS OF SPANISH SPEAKING PEOPLE

28,000

The appropriation is a one time appropriation for the establishment of a research component of the council on the affairs of Spanish speaking people.

Sec. 21. RETIREMENTS

300,000

The appropriation is to the commissioner of revenue to make the reimbursement payments to firefighters' relief associations under section 56.

Sec. 22. [REGIONAL PARK ACQUISITION.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that there is a need for a regional park on Lake Minnetonka to serve the recreation open space needs of the citizens of the entire metropolitan area and that it is in the public interest to authorize

acquisition of land for such a park in accordance with the master plan approved by the metropolitan council.

Subd. 2. [ACQUISITION.] Notwithstanding any contrary provision of law, the suburban Hennepin regional park district may acquire real property for a Lake Minnetonka regional park by purchase, gift, or eminent domain pursuant to Minnesota Statutes, chapter 117, without local consent or approval by any affected municipality or other local governmental unit.

Subd. 3. [METROPOLITAN COUNCIL APPROVAL.] Before any acquisition of real property by eminent domain pursuant to subdivision 1, the metropolitan council must find, following public hearing, that:

- (1) acquisition of the property is in the public interest;
- (2) negotiations for acquisition of the property have not resulted in acquisition of land by purchase;
- (3) the proposed acquisition is consistent with the approved master plan maintained by the metropolitan council; and
- (4) the district is able to carry out the plan and operate the regional park.

The findings required by this subdivision may have been made before or may be made on or after the effective date of this act.

Subd. 4. [EXPIRATION.] Authority to acquire real property through eminent domain as provided in subdivisions 2 and 3 expires on December 31, 1989, except that an acquisition approved by the metropolitan council before January 1, 1990, may continue.

Subd. 5. [APPLICATION.] This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 23. [STUDY AND REPORT TO LEGISLATURE.]

The counties receiving funds under section 41 and the commissioners of transportation and natural resources shall jointly study and determine the unrefunded gasoline and special fuel tax attributable to forest logging trucks and recreational vehicles that use county forest access roads and other uses of county forest access roads, from May 1, 1988, to April 30, 1989. After consultation with the commissioner of revenue, the commissioners of transportation and natural resources shall report the results of this study by October 1, 1989, to the transportation committees of the senate and house of representatives and the house appropriations and senate finance committees along with proposed changes to Minnesota

Statues, sections 296.16 and 296.421. The counties may spend money appropriated under section 41 for purposes of this study.

Sec. 24. [HILL-ANNEX MINE PRESERVATION SITE.]

The Hill-Annex Mine in Itasca county is designated a state preservation site, to be operated by the Iron Range resources rehabilitation board.

Sec. 25. [SITE BOUNDARIES.]

Hill-Annex Mine preservation site consists of the surface interest in land within Itasca county described as Section 16, Township 56 North, Range 23 West, excluding an area containing 6.5 acres more or less which is described as follows:

Starting at the corner common to Sections 17, 16, 20 and 21, Township 56 North, Range 23 West; thence due east on section line 155 feet to point of beginning; thence due east 916 feet; thence due north 330 feet; thence due west 916 feet; thence due south 330 feet to the point of beginning.

Sec. 26. [PURPOSE.]

The land described in section 25 must be used to interpret and provide the public with an opportunity to view and experience natural iron ore open-pit mining operations as conducted on Minnesota's historic iron ranges.

The mineral estate in the described property must not be condemned, and, in the establishment of the preservation site, the IRRRB shall recognize the possibility that mining may be conducted on the property in the future, and that use of portions of the surface estate may be necessary to these possible future mining operations.

Sec. 27. [REPORT NOT REQUIRED.]

Notwithstanding Laws 1987, chapter 404, section 16, subdivision 5, the commissioner of administration is not required to prepare a report to the legislature recommending criteria for awarding operational and equipment grants to public broadcasting stations.

Sec. 28. [DEER FEEDING NOT REQUIRED.]

Notwithstanding Laws 1987, chapter 404, section 22, subdivision 7, \$127,900 in fiscal year 1988 and \$127,900 in fiscal year 1989 need not be used for emergency deer feeding.

Sec. 29. Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Minnesota housing finance agency, the Minnesota higher education coordinating board, the Minnesota higher education facilities authority, the armory building commission, the Minnesota zoological board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation, but does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or United States Code, title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. "Employee of the state" includes a public defender appointed by the state board of public defense, whether paid by the state or by a political subdivision.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

Sec. 30. Minnesota Statutes 1987 Supplement, section 3.885, is amended to read:

3.885 [LEGISLATIVE ~~COMMITTEE~~ COMMISSION ON PLANNING AND FISCAL POLICY.]

Subdivision 1. [MEMBERSHIP.] The legislative ~~committee~~ commission on planning and fiscal policy consists of 18 members of the senate and the house of representatives appointed by the legislative coordinating commission. Vacancies on the ~~committee~~ commission are filled in the same manner as original appointments. The ~~committee~~ commission shall elect a chair and a vice-chair from among its members. The chair alternates between a member of the senate and a member of the house in January of each odd-numbered year.

Subd. 2. [COMPENSATION.] Members of the ~~committee~~ commission are compensated in the manner provided by section 3.101.

Subd. 3. [STAFF.] (a) The committee commission may hire staff necessary to carry out its duties and may also:

(1) employ and fix the salaries of professional, technical, clerical, and other staff of the commission;

(2) employ and discharge staff solely on the basis of their fitness to perform their duties and without regard to political affiliation;

(3) buy necessary furniture, equipment, and supplies;

(4) enter into contracts for necessary services, equipment, office, and supplies;

(5) provide its staff with computer capability necessary to carry out assigned duties. The computer should be capable of receiving data and transmitting data to computers maintained by the executive and judicial departments of state government that are used for budgetary and revenue purposes; and

(6) use other legislative staff.

(b) The legislative coordinating commission shall provide office space and administrative support to the committee. ~~The commissioners of finance and revenue shall supply the committee with information upon request of the chair.~~ The state planning agency shall report to the committee, and the committee may make recommendations to the state planning agency.

Subd. 4. [AGENCIES TO COOPERATE.] All departments, agencies, and education institutions of the executive and judicial branches must comply with a request of the commission for information, data, estimates, and statistics on the funding revenue operations, and other affairs of the department, agency or education institution. The commissioner of finance and the commissioner of revenue shall provide the commission with full and free access to information, data, estimates, and statistics in the possession of the finance and revenue departments on the state budget, revenue, expenditures, and tax expenditures.

Subd. 5. [DUTIES.] (a) The committee commission shall study and evaluate the actual and projected expenditures by state government, the actual and projected sources of revenue that support these expenditures, and the various options available to meet the state's future fiscal needs.:

(1) provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

(2) provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

(3) provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

(4) conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

(5) provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

(6) conduct budget and tax studies and provide general fiscal and budgetary information;

(7) review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

(8) recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections; and

(9) make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs.

(b) In performing this duty its duties under paragraph (a), the committee commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

As necessary, the committee shall recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures. The committee may also make recommendations for changes in the design or continuing operation of programs.

(c) The committee's commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

The committee commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Sec. 31. Minnesota Statutes 1986, section 3.9223, subdivision 5, is amended to read:

Subd. 5. [POWERS.] The council shall have power to contract in its own name. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The council shall appoint, subject to the approval of the governor, an executive director who shall be experienced in administrative activities and familiar with the problems and needs of Spanish-speaking people. The council may delegate to the executive director any powers and duties under this section which do not require council approval. The executive director and council staff shall serve in the unclassified service. The executive director may be removed at any time by a majority vote of the entire council. The executive director shall recommend to the council the appropriate staffing patterns necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services, and the council shall reimburse the commissioner for the cost of these services.

Sec. 32. Minnesota Statutes 1986, section 3.9225, subdivision 5, is amended to read:

Subd. 5. [POWERS.] The council shall have power to contract in its own name, provided that no money shall be accepted or received as a loan nor shall any indebtedness be incurred except as otherwise provided by law. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in subdivisions 1 to 7.

The council shall appoint an executive director who shall be experienced in administrative activities and familiar with the problems and needs of Black people. The council may delegate to the executive director any powers and duties under subdivisions 1 to 7 which do not require council approval. The executive director shall serve in the unclassified service and may be removed at any time by the council. The executive director shall recommend to the council, and the council may appoint, the appropriate staff necessary to carry out its duties. All staff members shall also serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services, and the council shall reimburse the commissioner for the cost of these services.

Sec. 33. Minnesota Statutes 1986, section 3.9226, subdivision 5, is amended to read:

Subd. 5. [POWERS.] (a) The council may contract in its own name but may not accept or receive a loan or incur indebtedness except as otherwise provided by law. Contracts must be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in this section.

(b) The council shall appoint an executive director who is experienced in administrative activities and familiar with the problems and needs of Asian-Pacific people. The council may delegate to the executive director any powers and duties under this section that do not require council approval. The executive director serves in the unclassified service and may be removed at any time by the council. The executive director shall recommend to the council, and the council may appoint, the appropriate staff necessary to carry out the duties of the council. All staff members serve in the unclassified service. The commissioner of administration shall provide the council with necessary administrative services, for which the council shall reimburse the commissioner.

Sec. 34. Minnesota Statutes 1986, section 18.191, is amended to read:

18.191 [DESTRUCTION OF NOXIOUS WEEDS.]

Except as otherwise specifically provided in sections 18.181 to 18.271, 18.281 to 18.311, and 18.321 to 18.322, it shall be the duty of every occupant of land or, if the land is unoccupied, the owner thereof, or an agent, or the public official in charge thereof, to cut down, otherwise destroy, or eradicate all noxious weeds as defined in section 18.171, subdivision 5, standing, being, or growing upon such land, in such manner and at such times as may be directed or ordered by the commissioner, the commissioner's authorized agents, the county agricultural inspector, or by a local weed inspector having jurisdiction.

Except as provided below, an owner of nonfederal lands underlying public waters or wetlands designated under section 105.391 is not required to control or eradicate purple loosestrife (*Lythrum salicaria*) below the ordinary high water level of the public water or wetland. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 105.391, except those which are located upon lands owned or managed by the United States. The officers, employees, agents, and contractors of the commissioner may enter upon public waters and wetlands designated under section 105.391 and may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The responsibility of the commissioner to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315. State officers, employees, agents, and contractors are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 35. Minnesota Statutes 1987 Supplement, section 85.055, subdivision 1, is amended to read:

Subdivision 1. [FEES.] The fee for state park permits for:

- (1) an annual use of state parks is ~~\$15~~ \$16;
- (2) a second vehicle state park permit is one-half the annual state park permit fee in clause (1);
- (3) a special state park permit valid up to two days is ~~\$3~~ \$3.25;

(4) a special daily vehicle state park permit for groups is as prescribed by the commissioner;

(5) an employee's state park permit is without charge;

(6) a special state park permit for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (2), is one-half the annual state park permit fee in clause (1); and

(7) a special state park permit valid up to two days for handicapped persons and persons over age 65 under section 85.053, subdivision 7, clauses (1) and (3), is ~~one-half of the special state park permit fee in clause (3)~~ \$2.

The fees specified in this subdivision include any sales tax required by state law.

Sec. 36. Minnesota Statutes 1986, section 88.22, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall establish a forest road advisory committee in forestry administrative areas that contain state forest management roads. The forest road advisory committee shall meet semiannually at the call of the commissioner or commissioner's representative to coordinate transportation planning, review restrictions on travel, and other issues related to the construction and maintenance of state forest management roads with the objective to keep all roads open as much as possible. The forest road advisory committee consists of:

(1) the commissioner or the commissioner's designee;

(2) a local county board chair or designee;

(3) a county highway department engineer;

(4) a Minnesota department of transportation district engineer or designee of the engineer;

(5) a town board chair and a board supervisor;

(6) a representative appointed by the Minnesota Forest Industries, Council Incorporated who owns or manages 1,000 acres or more of forest land in the forestry administrative area; and

(7) one other interested individual from a sporting or fishing organization.

Sec. 37. Minnesota Statutes 1986, section 89.001, is amending by adding a subdivision to read:

Subd. 14. "State forest road" means a road constructed, acquired, maintained, or administered by the commissioner for the purpose of carrying out forest resource management policy as set forth in section 89.002.

Sec. 38. Minnesota Statutes 1986, section 89.19, is amended to read:

89.19 [RULES.]

The commissioner shall have power to ~~may~~ prescribe such rules governing the use of state forest lands under the authority of the commissioner and state forest roads, or any part parts thereof, by the public or ~~and~~ governing the ~~exereising~~ exercise by holders of leases or permits upon state on forest lands and state forest roads of all their rights under ~~such~~ the leases or permits as may be necessary to carry out the purposes of this chapter.

Sec. 39. [89.341] [STATE FOREST ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a state forest road account in the special revenue fund, consisting of funds credited under section 42. Funds credited to the state forest road account are appropriated to the commissioner and remain available until expended.

Subd. 2. [EXPENDITURE.] Money in the state forest road account may be appropriated by law only for:

(1) acquisition, development, maintenance, and administration of state forest roads under the jurisdiction of the commissioner of natural resources; and

(2) the commissioner's share of the cost of cooperative maintenance agreements made with other providers of forest roads.

Sec. 40. [89.342] [FOREST ROADS.]

Subdivision 1. [DESIGNATION, INVENTORY, RECORDING.] Forest roads, bridges, and other improvements in existence on July 1, 1988, and administered under section 89.002, subdivision 3, are hereby designated as state forest roads to the width of the actual use including ditches, backslopes, fills, and maintained right-of-way, unless otherwise specified in a prior easement of record. The commissioner may undesignate all or part of a state forest road that is not needed to carry out forest resource management policy. The commissioner shall maintain and keep current an inventory listing

and describing roads in which the state claims a right or property interest for state forest road purposes. The commissioner may file for record with a county recorder or registrar of titles appropriate documents setting forth the state's interest in all or part of any state forest road.

Subd. 2. [RIGHT-OF-WAY.] After July 1, 1988, additional rights-of-way and easements, including easements needed for drainage or slopes, may be acquired by the commissioner by purchase or gift and by condemnation for safety and/or environmental protection on existing roads and to provide access to tracts of public land larger than 1,000 acres having no access, following a public meeting in the area affected. Rights-of-way and easements shall be designated as state forest roads when needed for construction, maintenance, or safety of roads.

Subd. 3. [CONSTRUCTION; MAINTENANCE.] The commissioner shall develop specifications for the design and construction of state forest roads and shall establish maintenance schedules for forest roads consistent with their intended use.

Subd. 4. [RULES.] In promulgating rules relating to the use of state forest roads, the commissioner may incorporate into the rules, by reference, traffic regulations contained in chapter 169.

Subd. 5. [POSTING OF MINIMUM-MAINTENANCE FOREST ROADS.] The commissioner may designate a state forest road as a minimum-maintenance forest road to be maintained at a level consistent with the intended use. Designation of a state forest road as a minimum-maintenance forest road is effective on the posting of signs, at entry points to the road and at regular intervals along the road, to the effect that the road is a minimum-maintenance forest road and that the user travels on the road at the user's risk. Posting of the signs is prima facie evidence that adequate notice of minimum-maintenance status has been given to the public.

Subd. 6. [LIABILITY ON FOREST ROADS.] The commissioner and employees of the department are not liable for any claim by a person arising on a state forest road that is not in a state forest to the same extent that they are not liable for claims that arise on roads within a state forest under the provisions of section 3.736, subdivision 3, clause (h).

Subd. 7. [CONVEYANCE OF UNNEEDED ROADS TO OTHER GOVERNMENTS.] When the commissioner undesignates a state forest road and determines that the road is no longer needed for any state purpose, the commissioner may convey, in the manner provided in section 84.63, the state interest in the road to the United States, the state of Minnesota, or any of its subdivisions, whether or not the road is on state land.

Subd. 8. [COMMISSIONER NOT A ROAD AUTHORITY UNDER HIGHWAY LAWS.] Except as otherwise provided, the commissioner is not a road authority under chapters 160 to 168, and chapters 160 to 168 do not apply to forest roads unless specifically made applicable by law or rule.

Sec. 41. [89.343] [COUNTY FOREST ACCESS ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a county forest access road account in the special revenue fund, consisting of funds credited under section 55. Funds credited to the county forest access road account are appropriated to the commissioner for distribution to counties managing forest lands administered through a county land department under the jurisdiction of a land commissioner appointed under section 282.13, for purposes specified in subdivision 2. These funds must be made available in the form of payments in proportion to each county's ownership of commercial forest lands. Funds credited to the county forest access road account remain available until expended.

Subd. 2. [EXPENDITURE; PURPOSES.] Money in the county forest access road account may be spent only to:

(1) construct, reconstruct, acquire, or maintain county forest access roads, including the acquisition of rights-of-way or easements as may be needed; and

(2) pursuant to section 23, study, determine, and inventory by October 1, 1989, county forest access roads and their use by logging trucks, recreational vehicles, and other users.

Sec. 42. Minnesota Statutes 1987 Supplement, section 105.44, subdivision 10, is amended to read:

Subd. 10. [PERMIT FEES.] Each application for a permit authorized by sections 105.37 to 105.64, and each request to amend or transfer an existing permit, must be accompanied by a permit application fee of \$30 to defray the costs of receiving, recording, and processing the application or request to amend or transfer. The commissioner may charge an additional permit application fee in excess of the \$30 fee but not over \$250 for each application. The application fee for permits submitted under sections 105.391, 105.41, and 105.535 is \$75. The application fee for permits submitted under sections 105.42 and 105.64 must be at least \$75, but may not exceed \$500 in accordance with a schedule of fees under section 16A.128.

The commissioner may charge an additional field inspection fee for:

(1) projects requiring a mandatory environmental assessment under chapter 116D;

(2) projects undertaken without a permit or application as required by sections 105.37 to 105.64; and

(3) projects undertaken in excess of limitations established in an issued permit. The fee must not be less than ~~\$25~~ \$100 nor more than ~~\$750~~ actual field inspection costs. The purpose of the fee is to cover actual costs for each permit applied for under sections 105.37 to 105.64 and for each project undertaken without proper authorization.

The commissioner shall establish a schedule of field inspection fees under section 16A.128. The schedule must include actual costs related to field inspection such as investigations of the area affected by the proposed activity, analysis of the proposed activity, consultant services, and subsequent monitoring, if any, of the activity authorized by the permit.

Except as provided below, the commissioner may not issue a permit until all fees required by this section relating to the issuance of a permit have been paid. The time limits prescribed by subdivision 4 do not apply to an application for which the appropriate fee has not been paid. Field inspection fees relating to monitoring of an activity authorized by a permit may be charged and collected as necessary at any time after the issuance of the permit. No permit application or field inspection fee may be refunded for any reason, even if the application is denied or withdrawn. No permit application or field inspection fee may be imposed on any state agency, as defined in section 16B.01, or federal governmental agency applying for a permit.

Sec. 43. Minnesota Statutes 1987 Supplement, section 115C.02, subdivision 13, is amended to read:

Subd. 13. [RESPONSIBLE PERSON.] "Responsible person" means a person who is an owner or operator of a tank at any time during or after the release responsible for a release under section 44.

Sec. 44. [115C.021] [RESPONSIBLE PERSON.]

Subdivision 1. [GENERAL RULE.] Except as provided in subdivision 2, a person is responsible for a release from a tank if the person is an owner or operator of the tank at any time during or after the release.

Subd. 2. [EXCEPTION OF CERTAIN TANK OWNERS.] An owner of a tank is not responsible for a release from the tank if the owner can establish that:

(1) the tank was in place but the owner did not know or have reason to know of its existence at the time the owner first acquired right, title, or interest in the tank; and

(2) the owner did not by failure to report under section 115.061 or other action significantly contribute to the release after the owner knew or reasonably should have known of the existence of the tank.

Sec. 45. Minnesota Statutes 1986, section 116.48, is amended by adding a subdivision to read:

Subd. 6. [RECORDING OF AFFIDAVIT.] Before a transfer of ownership of property that the owner knew or should have known contains an underground storage tank or that the owner knew or should have known is subject to contamination by a release of a regulated substance from an aboveground or underground storage tank, the owner shall record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property where the tank or release is located;

(2) a description of the tank or release and the location of the tank; and

(3) a description of any restrictions on the use of the property resulting from the tank or release.

Sec. 46. Minnesota Statutes 1986, section 116.48, is amended by adding a subdivision to read:

Subd. 7. [DUTY OF COUNTY RECORDER.] The county recorder shall record all affidavits filed under subdivision 6. The affidavits must be recorded in a manner that will assure their disclosure in the ordinary course of a title search of the subject property.

Sec. 47. Minnesota Statutes 1986, section 116.48, is amended by adding a subdivision to read:

Subd. 8. [TRANSFER OF PROPERTY REQUIREMENTS.] Before any transfer of ownership of property that the owner knew or should have known contains an underground storage tank or that the owner knew or should have known is subject to contamination by the release of regulated substances from an aboveground or underground storage tank, the owner shall deliver to the purchaser a copy of the affidavit required under subdivision 6 with current information.

Sec. 48. Minnesota Statutes 1987 Supplement, section 116C.712, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENT.] (a) A person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant in this state shall pay an assessment to cover the cost of:

(1) monitoring the federal high-level radioactive waste program under the Nuclear Waste Policy Act, United States Code, title 42, sections 10101 to 10226;

(2) advising the governor and the legislature on policy issues relating to the federal high-level radioactive waste disposal program; and

(3) monitoring radioactive waste management, including storage, transportation, and disposal, in the state; and

(4) other general studies necessary to carry out the purposes of this subdivision.

The assessment must not be more than the appropriation to the state planning agency for these purposes.

(b) The state planning agency shall bill the owner or operator of the plant for the assessment at least 30 days before the start of each quarter. The assessment for the second quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the state planning agency for the preceding year were more or less than the estimated expenditures previously assessed. The billing may be made as an addition to the assessments made under section 116C.69. The owner or operator of the plant must pay the assessment within 30 days after receipt of the bill. The assessment must be deposited in the state treasury and credited to the special revenue fund.

~~(c) The authority for this assessment terminates when the department of energy eliminates Minnesota from further siting consideration for high-level radioactive waste. The assessment required for any quarter must be reduced by the amount of federal grant money received by the state planning agency for the purposes listed in this section.~~

Sec. 49. Minnesota Statutes 1986, section 116J.615, is amended by adding a subdivision to read:

Subd. 3. [REGIONAL TOURISM OFFICES.] Employees in regional tourism offices are in the unclassified civil service.

Sec. 50. Minnesota Statutes 1987 Supplement, section 116J.941, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota council on productivity and quality consists of the commissioner of energy trade and economic development and ~~eight~~ eleven members, appointed from the general public to four-year terms, who have backgrounds in or are representatives of management, labor, small business, engineering, or business-management education. The governor shall appoint ~~four~~ five members, the speaker of the house of representatives shall appoint ~~two~~ three members, and the senate majority leader shall appoint ~~two~~ three members. The council shall elect two co-chairs from its membership, except that the commissioner of energy trade and economic development may not serve as a co-chair. Compensation of public members for expenses is as provided for members of advisory task forces under section 15.059, subdivision 6.

Sec. 51. Minnesota Statutes 1987 Supplement, section 116O.03, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors. The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. ~~The board may determine the compensation of its members. Board members may only be compensated and reimbursed for expenses according to section 15.0575, subdivision 3.~~

Sec. 52. Minnesota Statutes 1987 Supplement, section 116O.04, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary. The staff of the corporation must include individuals knowledgeable in commercial and industrial financing, research and development, economic development, and general fiscal affairs. The board shall define the duties and designate the titles of the employees and agents.

Sec. 53. Minnesota Statutes 1987 Supplement, section 116O.06, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL ASSISTANCE; TYPES.] The corporation may provide financial assistance to sole proprietorships, businesses, or for-profit or nonprofit organizations that have received research assistance or favorable review from a corporation research facility or from an institution, person, business, or organization that has received a research grant under section 116O.09, subdivision 4 or 116O.11. Financial assistance includes, but is not

limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan.

Sec. 54. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [INTENT; FOREST ROADS.] \$675,000 of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, and of this sum, \$400,000 is annually derived from motor vehicles operated on state forest roads and \$275,000 is annually derived from motor vehicles operated on county forest access roads in this state.

Sec. 55. Minnesota Statutes 1986, section 296.421, is amended by adding a subdivision to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is \$675,000 annually and must be paid in equal installments into the state treasury six months, 12 months, 18 months, and 24 months after the effective date of this section. Of this amount, \$400,000 is credited to the state forest road account and \$275,000 is credited to the county forest access road account in each year after the effective date of this section.

Sec. 56. [424A.10] [STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "qualified recipient" means an individual who receives an involuntary lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. [PAYMENT OF SUPPLEMENTAL BENEFIT.] Upon the payment by a firefighters' relief association of an involuntary lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular involuntary lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15, the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association.

Subd. 4. [IN LIEU OF INCOME TAX EXCLUSION.] The supplemental benefit provided by this section is in lieu of the state income tax exclusion for involuntary lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective.

Sec. 57. [446A.12] [MUNICIPAL LITIGATION LOANS.]

Subdivision 1. [AUTHORITY.] The Minnesota public facilities authority may administer a one year pilot project for making loans to municipalities to assist them in bringing or defending against litigation involving waste water treatment projects funded by state or federal money.

Subd. 2. [CRITERIA AND LIMITATIONS.] The amount of a loan to a municipality must not exceed 50 percent of the municipality's litigation costs incurred or \$50,000, whichever is less. Only municipalities with less than 1,500 population that are in litigation and that are unable to pay the reasonable costs of litigation are eligible. A municipality that has been awarded a corrective action grant under section 116.181 is not eligible for a litigation loan under this section. The interest rate and term of the loan must be determined by the authority. The interest rate on the loan must be below market rate. The authority is exempt from the rulemaking requirements of the administrative procedure act, Minnesota Statutes, chapter 14, for the purposes of administering this program.

Subd. 3. [APPLICATIONS.] Applications by municipalities for loans must be made to the authority on forms provided by the authority. The application must include documentation of litigation costs incurred, reasonableness of the costs, and verification that the municipality cannot pay the litigation costs. The application must be accompanied by a resolution of the governing body of the municipality obligating it to repay the loan according to the loan agreement.

Subd. 4. [LEGISLATIVE REPORT.] By January 1, 1989, the authority shall submit a report with its recommendations to the legislature on the need for continuation of the municipal litigation loan program.

Sec. 58. Minnesota Statutes 1987 Supplement, section 480.241, subdivision 2, is amended to read:

Subd. 2. [TRANSMITTAL OF SURCHARGE TO SUPREME COURT.] Notwithstanding any other law or rule to the contrary, all surcharges collected pursuant to subdivision 1 shall be transmitted monthly by the district, county, and conciliation court court administrators and municipal court administrators to the supreme court for deposit in a legal services account in the special revenue fund. After June 30, ~~1989~~ 1988, ~~two-thirds~~ one-half of the surcharge must be deposited in the legal services account in the special revenue fund and ~~one-third~~ one-half must be deposited in the software sales account under section 480.236.

Sec. 59. Laws 1987, chapter 357, section 27, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF NATURAL RESOURCES.] \$1,200,000 is appropriated from the general fund to the commissioner of natural resources to implement components of the comprehensive fish and wildlife plan under Minnesota Statutes, section 84.942, to be available until June 30, 1989. \$480,000 of this appropriation is to assist both public and private landowners to improve wildlife habitat. The approved complement of the department of natural resources is increased by eight positions in the classified service.

Sec. 60. Laws 1987, chapter 404, section 20, subdivision 6, is amended to read:

	1988	1989
\$		\$

Subd. 6. Tax Compliance

\$22,030,300	\$23,176,500
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Notwithstanding any contrary provisions, \$1,900,000 of the amount appropriated to the commissioner of revenue must be used by the department of revenue for compliance initiatives. Of

1988

1989

\$

\$

this amount, \$570,000 the first year is for the automated collection system. If this system is not fully operational by August 1, 1988, the general fund appropriation for the department shall be reduced by \$570,000. Notwithstanding any law to the contrary, and to accomplish this purpose, the agency may transfer up to \$1,900,000 of unencumbered balances among programs after getting the approval of the commissioner of finance. The transfer must follow the general procedures for transfers contained in this act.

Summary by Fund

General	\$17,876,900	\$19,044,800
Special Revenue	\$ 4,153,400	\$ 4,131,700

The first \$4,617,800 of corporate income tax receipts in the first year and the first \$4,588,200 of corporate income tax receipts in the second year must be credited to the special revenue fund.

Sec. 61. Laws 1987, chapter 404, section 22, subdivision 4, is amended to read:

Subd. 4. Forest Management

\$20,616,500	\$20,780,500
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Summary by Fund

General	\$14,839,300	\$15,003,200
Con. Con.	\$ 250,000	\$ 250,000
Forest Management	\$ 5,527,200	\$ 5,527,300

The divisions of forestry and fish and wildlife must coordinate the harvesting of trees in order to ensure optimum wildlife habitat benefits and water quality of adjacent streams or lakes.

1988

1989

\$

\$

\$750,000 the first year and \$750,000 the second year are for emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The unencumbered balance of any other appropriation from the general fund to the commissioner of natural resources remaining in the first year must not be canceled but must be transferred and added to this appropriation for the second year. No more than \$400,000 the first year and \$410,000 the second year are available for presuppression costs.

Up to \$120,000 per year from the general fund under Minnesota Statutes, section 89.04 may be used for grants to the soil and water conservation board for cost-sharing with landowners in the state forest improvement program.

\$500,000 the first year and \$500,000 the second year are for grants to counties or groups of counties for county forestry assistance programs.

The commissioners of natural resources, revenue, and transportation shall jointly study and determine the amount of unrefunded gas gasoline and special fuel tax attributable to forest logging trucks and recreational vehicles that use forest roads and other uses of forest roads under the authority of the commissioner for the period May 1, 1988, to April 30, 1989. Their findings and determinations must be reported to the chairs of the house appropriations and senate finance committees and the chairs of the House and Senate transportation committees by December October 1, 1988 1989, along with proposed changes to Minnesota Statutes, section sections 296.16 and 296.421, that reflect their determinations.

1988

1989

\$

\$

Sec. 62. Laws 1985, First Special Session chapter 15, section 4, subdivision 6, is amended to read:

Subd. 6. To the commissioner of natural resources to construct an educational center at the Environmental Learning Center at Isabella

1,853,900

This appropriation is for payment of a grant to Lake county. This appropriation is available only as matched, dollar for dollar, by contributions from nonstate sources.

Sec. 63. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 161.52, is repealed.

Sections 54 and 55 are repealed, effective the day after the final installment is paid into the state treasury under section 55.

Sec. 64. [EFFECTIVE DATES.]

Section 1 is effective July 1, 1988.

The fee increases provided in section 35 are effective May 1, 1988.

Section 36 is effective January 1, 1989.

Section 56 is effective for lump sum distributions paid after December 31, 1987.

Sections 22, 23, 29, 39, 41, 43, 44, 54, 55, 57, and 61 are effective the day following final enactment.

Sec. 65. [APPLICATION.]

Sections 43 and 44 apply retroactively to the effective date of Laws 1987, chapter 389, section 2."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and reports; appropriating money; amending Minnesota Statutes 1986, sections 3.9223,

subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 88.22, by adding a subdivision; 89.001, by adding a subdivision; 89.19; 116.48, by adding subdivisions; 116J.615, by adding a subdivision; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; 3.885; 85.055, subdivision 1; 105.44, subdivision 10; 115C.02, subdivision 13; 116C.712, subdivision 5; 116J.941, subdivision 1; 116O.03, subdivision 2; 116O.04, subdivision 1; 116O.06, subdivision 1; and 480.241, subdivision 2; Laws 1985, First Special Session chapter 15, section 4, subdivision 6; Laws 1987, chapter 357, section 27, subdivision 2; Laws 1987, chapter 404, sections 20, subdivision 6; and 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 89; 115C; 424A; and 446A; repealing Minnesota Statutes 1987 Supplement, section 161.52.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2459, A bill for an act relating to education; providing for faculty exchanges between school districts and post-secondary institutions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS.]

The amounts in the columns under “APPROPRIATIONS” are appropriated from the general fund, or other named fund to the agencies for the purposes specified in this act. The appropriations are available for the fiscal years indicated for each purpose. The figure “1988” or “1989,” when used to refer to the fiscal year of appropriations, means that the appropriations listed under the figure are available for the fiscal year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
GENERAL	5,700,000	20,556,300	26,256,300

Summary by Agency.—All Funds

Higher Education Coordinating Board	5,700,000	2,557,700	8,257,700
State Board of Vocational Technical Education	-	3,719,200	3,719,200
State Board for Community Colleges	-	6,237,100	6,237,100
State University Board	-	7,874,800	7,874,800
Regents of the University of Minnesota	-	167,500	167,500

APPROPRIATIONS
Available for the Fiscal
Year Ending June 30

	1988	1989
\$		\$

Sec. 2. HIGHER EDUCATION CO-
ORDINATING BOARD

Subdivision 1. State Scholarships and Grants	5,700,000	2,100,000
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This appropriation is added to the appropriation for the same purpose in Laws 1987, chapter 401, section 2, subdivision 3.

This appropriation is for a projected deficiency in the program in both fiscal years. The legislature intends that the board make full scholarship and grant awards in fiscal year 1989. The HECB should seek a deficiency appropriation in 1989 if the fiscal year 1989 funds are insufficient to make full awards.

	1988	1989
	\$	\$
<p>During the biennium, the HECB may transfer funds among the accounts provided in Laws 1987, chapter 401, section 2, if there is a projected balance in an account. Before the transfer, the HECB shall consult with the chairs of the education divisions of the appropriations and finance committees.</p>		

During the biennium, the HECB may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The HECB must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Funds necessary to meet cash flow difficulties in the state scholarship and grant program are appropriated to the commissioner of finance for loans to HECB.

Subd. 2. Other Appropriations

(a) Job Skills Partnership	70,000
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This appropriation is for the administration of outstanding grants awarded by the Job Skills Partnership. The legislature intends that no grants be awarded after June 30, 1988. The HECB shall conduct a program audit and report the results to the education divisions of the appropriations and finance committees by January 15, 1989.

(b) Study of Metropolitan Higher Education Needs	200,000
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This appropriation is for the HECB to contract for a study on the short and long term post-secondary needs of the

	1988	1989
	\$	\$
metropolitan region extending from St. Cloud to Rochester. The study should include consideration of at least the following: the current and projected demographic and participation trends; current level of services available; needs of traditional, nontraditional, and minority students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, cooperative efforts, and reciprocity agreements; effects of proposals on existing institutions, programs, and funding; and effects of proposals on existing institutional and system missions. The HECB shall review and comment on the study and report to the education divisions of the appropriations and finance committees by February 1, 1989.		
(c) Quality Assessment		150,000
(d) Minority Education Partnership		10,000
(e) Model Enterprise Development and Innovation Centers		

The appropriation for fiscal year 1989 in Laws 1987, chapter 386, article 10, section 9, for the Job Skills Partnership is transferred to the Enterprise Development Partnership. This appropriation is to further develop and pilot test model enterprise development and innovation centers. Of this amount, \$200,000 is for increased funding of the current centers, \$250,000 is to develop a statewide network of rural and urban resources, and \$50,000 is for program administration and reporting.

(f) Regent Candidate Advisory Council	27,700
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Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.

(a) Curriculum Restructuring	2,000,000
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	1988	1989
	\$	\$
<p>The legislature intends that the board give priority in using this appropriation to institutes with declining enrollments. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget.</p>		

(b) Increased Enrollment	1,014,200
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An amount not to exceed this appropriation is for enrollment increases. This appropriation is based on an entitlement of \$1,193,200. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 40,548. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(c) State Council on Vocational Technical Education	75,000
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This appropriation is added to the appropriation for the council in Laws 1987, chapter 401, section 3, subdivision 4.

(d) Services for Handicapped Students	630,000
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This appropriation is for noninstructional expenditures.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

(a) Increased Enrollment	4,964,100
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1988

1989

\$

\$

An amount not to exceed this appropriation is for enrollment increases. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 29,723. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(b) Instructional Equipment

1,273,000

The legislature estimates that \$1,900,000 is for instructional expenditures.

Sec. 5. STATE UNIVERSITY BOARD

(a) Increased Enrollment

7,349,800

An amount not to exceed this appropriation is for enrollment increases. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 50,112. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(b) Winona State Engineering

The \$500,000 appropriated in Laws 1987, chapter 401, section 5, subdivision 2, may be spent by the state uni-

	1988	1989
	\$	\$
<p>versity board for the Winona engineering school upon the legislature receiving a positive recommendation regarding program review from the HECB and documentation that \$250,000 of state funds have been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment and supplies necessary to the program, after consulting with the chairs of the education divisions of the finance and appropriations committees.</p>		

(c) Science and Technology Resource Center	525,000
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This appropriation is for noninstructional expenditures.

Sec. 6. REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Operations and Maintenance Noninstructional Expenditures	167,500
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(a) This appropriation is available to develop the delivery of graduate education programs to be offered in the greater Rochester area. The University is requested to prepare a report on short and long range plans for program development, faculty recruitment, availability and uses of adjunct faculty, estimates of costs for five years, and a timetable for establishment of graduate programs. To assist in these determinations, the regents shall establish a local advisory committee composed of persons, including representatives of the business community, who reside in the Rochester area and who have knowledge of, and interest in, graduate

1988

1989

\$

\$

level education. The University shall report its findings to the education divisions of the appropriations and finance committees by February 1, 1989. The study must be submitted to the HECB for review and comment before its submission to the legislature.

(b) The regents are requested to employ persons qualified to provide the board with fiscal and policy information, oversight, and analysis on matters requiring the regents' attention or action. The staff should be independent from the University administration and should be responsible solely to the regents. The board shall report its action under this paragraph to the chairs of the education divisions of the senate finance and house appropriations committees by December 1, 1988.

(c) During the biennium, the regents are requested to provide \$300,000 previously committed by the president to the Duluth campus for scholarships or related activities.

(d) In allocating the University's central reserves, the regents are requested to be cognizant of the needs of the coordinate campuses.

Sec. 7. Minnesota Statutes 1987 Supplement, section 135A.04, is amended to read:

135A.04 [VARIABLE TUITION.]

The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. ~~In all systems that have a credit hour basis, tuition rates must be established on that basis and must not apply across a variable number of credits.~~ Tuition may be set at

any percentage of instructional cost established by the respective boards.

Sec. 8. Minnesota Statutes 1986, section 136.31, is amended by adding a subdivision to read:

Subd. 7. Except as provided in this subdivision, the board may irrevocably appropriate and use any money other than state appropriated money held by it to discharge or otherwise provide for the payment of the interest coming due on its outstanding revenue bonds until paid and of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under subdivision 6 with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract or law.

Sec. 9. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

Subd. 8. The state university board or a successor may issue additional revenue bonds under sections 136.31 to 136.38, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and to use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with the chairs of the house appropriations committee and the senate finance committee on the facilities to be financed by the bonds.

Sec. 10. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

Subd. 9. 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. However, if it is intended that the interest on the bonds be exempt from federal income taxes, an officer of the board shall certify for the board on the date of issue the facts, estimates, and circumstances that lead the officer reasonably to expect that the proceeds of the bonds and the facilities financed by them will not be used to cause the interest on

the bonds to be subject to federal income taxes; the board may covenant and agree with the holders of the bonds that it will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that do or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the officers of the board shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent to comply may be appropriated by the board from the fund established by section 136.35.

Sec. 11. Minnesota Statutes 1986, section 136C.61, is amended by adding a subdivision to read:

Subd. 7. [MEETINGS.] Notwithstanding any law to the contrary, the joint board may hold meetings at any location convenient to the member districts and the public, whether or not that meeting site is located within the boundaries of a member district. The joint board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 12. [137.0229] [REGENT CANDIDATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] There is established a candidate advisory council for the board of regents of the University of Minnesota. The purpose of the advisory council is to assist the legislature in identifying qualified candidates for membership on the board of regents.

Subd. 2. [MEMBERSHIP.] The advisory council must be composed of 24 members, three of whom reside in each congressional district. One member from each congressional district must be appointed by the governor. One member from each congressional district must be appointed by the members of the house who represent that district. One member from each congressional district must be appointed by the members of the senate who represent that district. No more than two members from any congressional district shall belong to the same political party. Each member shall serve for a term of six years and may serve one additional term. A vacancy shall be filled in the same manner as the original appointment. Members may be reimbursed for expenses according to section 15.059 but must not be compensated.

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, and provide to potential candidates a statement of the responsibilities and duties of a regent;

(2) establish a subcommittee for each congressional district, composed of the three advisory council members residing in the congressional district and other members appointed by the subcommittee, and encourage each subcommittee to identify qualified candidates within its congressional district;

(3) for each congressional district position on the board, identify and recruit, through the subcommittee established in clause (2), qualified candidates for the board of regents, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents; and

(4) for each at-large position on the board, including the student position, identify and recruit qualified candidates, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. [RECOMMENDATIONS.] At the time the legislature elects a regent, the advisory council shall recommend at least two qualified candidates to the relevant congressional delegation and the appropriate committees of the legislature. For a candidate required to reside in a congressional district, the advisory council shall recommend only a candidate recommended by the subcommittee. The legislature shall not be bound by these recommendations.

Subd. 5. [STAFF.] The higher education coordinating board shall provide staff and support for the advisory council as necessary to discharge its responsibilities.

Sec. 13. [INITIAL TERMS.]

Notwithstanding section 12, subdivision 2, for the initial advisory council, one member appointed by each of the appointing authorities shall serve a two-year term, one member shall serve a four-year term, and one member shall serve a six-year term.

Sec. 14. [245A.17] [CHILD CARE PROVISIONS.]

As an alternative to licensing under rules for child care centers adopted by the department of human services, post-secondary institutions may submit a child care plan for approval by the commissioner of human services. The plan must show how the center can be operated safely for the benefit of the children.

Sec. 15. Laws 1983, chapter 334, section 7, as amended by Laws 1987, chapter 386, article 10, section 8, is amended to read:

Sec. 7. [REPEALER.]

Sections 116L.01; 116L.02; 116L.03, subdivisions 1, 2, 3, 4, 5, and 7; 116L.04; and 116L.05, 1, 2, 3, 4, 5, and 7 are repealed June 30, 1989 1988.

Sec. 16. Laws 1987, chapter 401, section 2, subdivision 6, is amended to read:

Subd. 6. Income Contingent Loans

\$110,000

\$158,100

This appropriation is for an income contingent loan repayment program to assist graduates of Minnesota schools in medical, dental, pharmacy, chiropractic medicine, public health, and veterinary medicine and Minnesota residents graduating from optometry and osteopathy programs in repaying their student debt by providing a repayment plan based on their annual income. The HECB shall study the possible inclusion of students in other academic programs including optometry and osteopathy and report its recommendations to the appropriations and finance committees by December 1, 1987. During the biennium, applicant data collected by the HECB for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to section 136A.162.

Sec. 17. [REGENT ACTION.]

The legislature requests that the board of regents of the University of Minnesota undertake the following actions to improve their management and accountability:

(1) establish a committee to plan for and oversee the needs and uses of the president's house;

(2) formally adopt policies for review of capital projects that specify when board approval is required, types and forms of information to be submitted to the board, and board procedures for cost overruns;

(3) develop an accurate and complete reporting system for capital projects in progress;

(4) establish policies that improve the control over the use of unrestricted funds, including specification of approval and reporting requirements; and

(5) establish procedures for accountability and ownership of assets funded by the University Foundation.

The board of regents shall report the actions taken under this section to the education divisions of the appropriations and finance committees by January 1, 1989.

Sec. 18. [PURPOSE.]

The legislature believes it is in the best interest of Minnesota to strengthen relationships between educational levels and sectors. To promote closer alliances and greater understanding between school districts and post-secondary education, the legislature intends to facilitate voluntary cooperative arrangements.

Sec. 19. [FACULTY EXCHANGE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their staffs. These arrangements must be made on a voluntary, cooperative basis between the school district and the institution.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the faculty member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system. A public school teacher might be used to teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary instructor might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future education plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES, BENEFITS, CERTIFICATION.] Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. For this program, teacher certification requirements shall be waived for participating faculty. All arrangements and details regarding the exchange must

be mutually agreed to by the school district and post-secondary institution before implementation.

Subd. 4. [PILOT PROGRAMS.] While these exchanges are voluntary, the legislature intends to maintain oversight to determine the benefits and problems of the program. For the 1988-1989 school year, proposals must be submitted to the education committee and education division of the appropriations committee of the house of representatives and the education committee and education division of the finance committee of the senate by July 1, 1988. These committees shall review the proposals and recommend those for pilot programs.

Sec. 20. [STUDENT SERVICES.]

The governing board of each public post-secondary system is requested to establish prices for goods and services sold through student services that approximate as nearly as possible the cost of providing quality goods and services.

Sec. 21. [COMMUNITY SERVICE.]

Each public post-secondary system shall review its curricula, especially in required courses in general education and departmental majors, to determine the current and future opportunities for incorporating community service components. Each system is encouraged to locate curricular areas in which the system can assist students to voluntarily pursue community service that is relevant to their studies. The systems shall report their findings and recommendations to the education divisions of the appropriations and finance committees by February 1, 1989.

Sec. 22. [LOANED EXECUTIVE ACTION PROGRAM (LEAP).]

Subdivision 1. [PUBLIC SYSTEMS; JOINTLY.] The governing boards of the public post-secondary systems are requested to jointly establish a Loaned Executive Action Program to encourage business executives in the private sector to study management issues within each system and to make recommendations to improve the management structures and processes of each. The heads of each system shall jointly report to the education divisions of the appropriations and finance committees on the actions taken under this section by January 15, 1989.

Subd. 2. [CAMPUS BUDGET PROPOSALS.] A loaned executive working with the University of Minnesota should study the issue of preparing and presenting individual campus budget proposals to the board of regents.

Sec. 23. [CHILD CARE REPORTS.]

Each public post-secondary system shall assess the effects of recent child care legislation on the needs of post-secondary students. Each system shall report its assessment and recommendations to the education divisions of the finance and appropriations committees by January 15, 1989.

Sec. 24. [EFFECTIVE DATE.]

Section 2, subdivision 1, and section 19 are effective the day after their final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; 136.41, by adding subdivisions; and 136C.61, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 135A.04; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 137 and 245A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2520, A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2561, A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis

intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 2, line 21, delete "\$" and insert "\$20,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2685, A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

Reported the same back with the following amendments:

Page 27, delete lines 10, 11, and 22

Page 27, line 24, delete "\$1,650,000" and insert "\$1,545,500"

Page 28, line 3, delete "\$660,000" and insert "\$554,500"

Page 28, line 4, delete "50" and insert "25"

Page 28, delete lines 5 to 8.

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1388, A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; requiring report; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; and 62D.20.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.29 for one year, at least 40 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.29 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

Sec. 2. Minnesota Statutes 1986, section 62D.07, subdivision 3, is amended to read:

Subd. 3. An evidence Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature and requirements for referrals, prior authorizations, and second opinions;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following: The statement must be captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) REFERRALS: Certain services which are covered are available only by referral. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization). Your contract explains referral procedures.

(4) EMERGENCY SERVICES: Emergency services from provid-

ers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

Sec. 3. Minnesota Statutes 1986, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07 2, subdivision 3, ~~paragraph~~ paragraphs (b) and (c). Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner of health, or, if applicable, the employer.

(b) Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:

- (1) health care services not provided;
- (2) health care services requiring copayments or deductibles paid by enrollees;
- (3) the fact that access to health care services does not guarantee access to a particular provider type; and
- (4) health care services that are or may be provided only by referral of a physician.

(c) No marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraph (b) are not required on billboards or image, and name identification advertisement.

Sec. 4. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 4. Every health maintenance organization shall provide the information described in section 2, subdivision 3, paragraphs (b) and (c), to enrollees or their representatives on request, within a reasonable time. Information on how to obtain referrals, prior authorization, or second opinion shall be given to the enrollee or an enrollee's representative in person or by telephone within one business day following the day the health maintenance organization or its representative receives the request for information.

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must:

- (1) identify the health maintenance organization;

(2) include the name, address, and telephone number to call if the enrollee has a complaint;

(3) include the telephone number to call or the instruction on how to receive authorization for emergency care; and

(4) include the telephone number to call to appeal to the commissioner of health.

Sec. 6. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 3. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the health maintenance organization concerning a refusal of service or inadequacy of services, the health maintenance organization shall provide the enrollee with a written statement of the reason for the refusal of service, and a statement approved by the commissioner of health which explains the health maintenance organization complaint procedures, and in the case of Medicare enrollees, which also explains Medicare appeal procedures.

Sec. 7. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 4. [COVERAGE OF SERVICE.] A health maintenance organization may not deny or limit coverage of a service which the enrollee has already received:

(1) solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the health maintenance organization had prior authorization or second opinion been obtained; or

(2) from a nonparticipating provider, if (i) the service was ordered or recommended by a participating provider; (ii) the service would otherwise be covered, or was part of a discharge plan of a participating provider; and (iii) the enrollee was not given prior written notice stating that this service by a nonparticipating provider would not be covered, and listing the participating providers of this service available in the enrollee's area.

Sec. 8. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 7. [RETIALIATORY ACTION PROHIBITED.] No health maintenance organization may take retaliatory action against a provider solely on the grounds that the provider disseminated accurate information regarding coverage of benefits or accurate

benefit limitations of an enrollee's contract or accurate interpreted provisions of the provider agreement that limit the prescribing, providing, or ordering of care.

Sec. 9. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. [PRIOR AUTHORIZATION AND APPROVAL.] Each health maintenance organization shall establish a telephone number, which need not be toll-free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours, excluding weekends, after they are received. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 10. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. [RULEMAKING.] The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. [PRIOR AUTHORIZATION.] The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 11. [QUALITY ASSURANCE.]

The commissioner of health shall prepare a report to the legislature before January 15, 1989, that describes the state's efforts to assess and to improve quality assurance standards of health maintenance organizations licensed under chapter 62D. The commissioner of human services shall contribute information and data from the state's programs to enroll medical assistance recipients in prepayment plans. The report shall provide recommendations for improvement of health maintenance organization quality assurance mechanisms and operating procedures to the legislature and the health maintenance organizations.

Sec. 12. [MANDATED BENEFITS.]

The commission on health plan regulatory reform, established by Laws 1987, chapter 370, shall address the issues related to mandated benefits. Consumer choice and access to the most appropriate and cost-effective health care providers must be investigated and considered in light of the structure of managed care plans that are being designed and offered currently. The commission shall consider the long-term savings associated with a broad choice of provider groups available to consumers.

Sec. 13. [EFFECTIVE DATES.]

Section 3, subdivision 1, paragraph (a) is effective August 1, 1988. Section 2 and the remaining provisions of section 3 are effective January 1, 1989. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; prohibiting retaliatory action; specifying procedures for prior approval; requiring report; amending Minnesota Statutes 1986, sections 62D.06, subdivision 1; 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; 62D.12, by adding subdivisions; and 62D.20."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2788, 1251, 1746, 1812, 2095, 2127, 2130, 2138, 2344, 2459, 2520, 2561 and 2685 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2150, 1695, 2096, 1744, 1761, 1304, 1674, 2090, 1632, 994, 1661, 974, 2452, 2214, 1835, 1830, 2384, 2191, 2097, 335, 1769, 1086, 1681, 2119, 2235, 2217, 1932, 2203, 1652, 2102, 1955, 2266, 1871, 2292, 1821, 2289, 2355, 308, 30, 1879, 2017, 1882, 2395, 1553, 2243, 2376, 1700, 2323, 2206, 1795, 1328, 2009 and 1388 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Quinn and Vanasek introduced:

H. F. No. 2789, A resolution memorializing the state governors and legislatures of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Mississippi, Missouri, Tennessee, and Wisconsin and the Congress of the United States to enter into and actively participate in a compact for the interstate phase-out of pollution in the Mississippi River.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Clark, Greenfield, Otis, Jefferson and McLaughlin introduced:

H. F. No. 2790, A bill for an act relating to human services; establishing a policy for the planning, development, and siting of residential programs; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Segal, Trimble and Vellenga introduced:

H. F. No. 2791, A bill for an act relating to education; requiring

the department of education to study and report on limited English proficiency programs.

The bill was read for the first time and referred to the Committee on Education.

Price introduced:

H. F. No. 2792, A bill for an act relating to capital improvements; providing money to acquire open space in the city of Maplewood; authorizing sale of state bonds; appropriating money.

The bill was read for the first time and referred to the Committee on Appropriations.

HOUSE ADVISORIES

The following House Advisories were introduced:

Clark, Pappas, Marsh, Vellenga and Bishop introduced:

H. A. No. 74, A proposal to study current law prohibiting drug sales to minors.

The advisory was referred to the Committee on Judiciary.

Bishop, Clark, Vellenga, Krueger and Pappas introduced:

H. A. No. 75, A proposal to study the need for judicial education on child custody, visitation, and foster care placement.

The advisory was referred to the Committee on Judiciary.

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. 1961, A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2735, A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

H. F. No. 2615, A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2554, A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

H. F. No. 2529, A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2419, A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

H. F. No. 1904, A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

H. F. No. 1950, A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minne-

sota Statutes 1987 Supplement, sections 112.43, subdivision 1; and 112.65, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2490, A bill for an act relating to state land; conveying title to state land in Kittson county.

H. F. No. 2372, A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

H. F. No. 2469, A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

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. 85, A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

The Senate has appointed as such Committee:

Messrs. Dahl, Spear and Johnson, D. E.

Said House File is herewith returned to the House.

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. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

The Senate has appointed as such Committee:

Messrs. Solon, Belanger and Dicklich.

Said House File is herewith returned to the House.

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. 1831, A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

The Senate has appointed as such Committee:

Messrs. Larson, Freeman and Spear.

Said House File is herewith returned to the House.

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. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers and governmental entities; proposing coding for new law in Minnesota Statutes, chapter 222.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Beard moved that the House concur in the Senate amendments to H. F. No. 1486 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1486, A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; establishing priority order for hiring by the acquiring carrier; proposing coding for new law in Minnesota Statutes, chapter 222.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 101 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lasley	Olson, K.	Scheid
Anderson, R.	Gutknecht	Lieder	Omann	Segal
Battaglia	Himle	Long	Orenstein	Skimoneau
Bauerly	Jacobs	Marsh	Osthoff	Skoglund
Beard	Jaros	McEachern	Otis	Solberg
Begich	Jefferson	McKasy	Ozment	Sparby
Bennett	Jennings	McLaughlin	Pappas	Stanius
Bertram	Jensen	McPherson	Pauly	Steenasma
Boo	Johnson, A.	Milbert	Pelowski	Swenson
Brown	Johnson, R.	Minne	Peterson	Tjornhom
Burger	Kahn	Morrison	Price	Trimble
Carlson, L.	Kalis	Munger	Quinn	Tunheim
Carruthers	Kelly	Murphy	Reding	Uphus
Clark	Kelso	Nelson, C.	Rest	Vellenga
Cooper	Kinkel	Nelson, D.	Rice	Voss
Dauner	Kludt	Nelson, K.	Riveness	Wagenius
Dawkins	Knuth	Neuenschwander	Rodosovich	Welle
DeBlicke	Kostohryz	Ogren	Rose	Wenzel
Dorn	Krueger	Olsen, S.	Rukavina	Winter
Greenfield	Larsen	Olson, E.	Sarna	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Blatz	Frederick	Haukoos	Johnson, V.	Miller
DeRaad	Frerichs	Heap	Knickerbocker	Onnen
Forsythe	Hartle	Hugoson	McDonald	Poppenhagen

Quist
Redalen

Richter
Schafer

Schreiber
Sviggum

Thiede
Tompkins

Valento
Waltman

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1817, A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Stanius moved that the House refuse to concur in the Senate amendments to H. F. No. 1817, that the Speaker appoint a Conference Committee of 3 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 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. 1846, A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Price moved that the House refuse to concur in the Senate amendments to H. F. No. 1846, that the Speaker appoint a Conference Committee of 3 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 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. 2245, A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy;

modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; making technical corrections to the cooperative secondary facilities grant act; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.14, subdivision 1; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.494, subdivisions 5 and 6; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivisions 1 and 2, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

PATRICK E. FLAHAVEN, Secretary of the Senate

Nelson, K., moved that the House refuse to concur in the Senate amendments to H. F. No. 2245, 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 that the Senate refuses to concur in the House amendments to Senate File No. 321:

S. F. No. 321, A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Merriam; Peterson, R. W., and Ramstad.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 321. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1622:

S. F. No. 1622, A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Stumpf, Bernhagen and Langseth.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1622. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1711:

S. F. No. 1711, A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Chmielewski, Lessard and Solon.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1711. 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. 25, A concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that Senate Concurrent Resolution No. 25 be now considered and be placed upon its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 25

A Senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Wednesday, March 30, 1988, the Senate may set its next day of meeting for Tuesday, April 5, 1988.
2. Upon its adjournment on Wednesday, March 30, 1988, the House of Representatives may set its next day of meeting for Tuesday, April 5, 1988.
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.

Wynia moved that Senate Concurrent Resolution No. 25 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 25 was adopted.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1582, 1573, 1610, 2491 and 2525.

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. 1540, 2071 and 2185.

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. 203, 2021, 2003 and 1940.

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. 2286, 2122 and 1727.

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. 2165, 1834 and 1885.

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. 2402 and 1827.

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. 2275, 2390 and 1819.

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. 752 and 1788.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1582, A bill for an act relating to marriage dissolution; providing for child support and maintenance enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2, and by adding a subdivision; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

The bill was read for the first time.

Jennings moved that S. F. No. 1582 and H. F. No. 1896, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1573, A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; allowing physically disabled persons to use a crossbow to take small game; regulating hunting by residents with a firearms safety certificate; amending Minnesota Statutes 1986, sections 97A.435, subdivision 2; 97A.451, subdivision 3; and 97B.015, subdivision 5; Minnesota Statutes 1987 Supplement, sections 97B.035, subdivision 1; 97B.315; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time.

Reding moved that S. F. No. 1573 and H. F. No. 1830, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1610, A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions

2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.

The bill was read for the first time.

Lasley moved that S. F. No. 1610 and H. F. No. 1736, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2491, A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1, and by adding a subdivision; 473.146, subdivision 3; 473.173, subdivision 6; 473.38, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

The bill was read for the first time.

Carruthers moved that S. F. No. 2491 and H. F. No. 2514, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2525, A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

The bill was read for the first time.

Jaros moved that S. F. No. 2525 and H. F. No. 2176, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1540, A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1987 Supplement, section 244.09, subdivision 2.

The bill was read for the first time.

Marsh moved that S. F. No. 1540 and H. F. No. 1643, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2071, A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses;

amending Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1.

The bill was read for the first time.

Jefferson moved that S. F. No. 2071 and H. F. No. 1848, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2185, A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 1; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 361.03, subdivision 5; and 361.27, subdivision 2; Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101; proposing coding for new law in Minnesota Statutes, chapter 7.

The bill was read for the first time.

Simoneau moved that S. F. No. 2185 and H. F. No. 1705, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 203, A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1986, section 48.92, subdivision 7.

The bill was read for the first time.

Skoglund moved that S. F. No. 203 and H. F. No. 125, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2021, A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; providing for the distribution of money from the general account of the state elections campaign fund; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; 10A.25, subdivision 10; and 10A.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 10A.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 2003, A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1940, A bill for an act relating to the Duluth transit authority; authorizing it to transport students.

The bill was read for the first time.

Jaros moved that S. F. No. 1940 and H. F. No. 2024, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2286, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2122, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private

and nonpublic; providing for patient access to medical records; requiring outpatient diagnostic and test results to be retained as part of an individual permanent medical record; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 13.67; 13.791, subdivision 1; 144.335, subdivision 2; 145.32, subdivision 2; 171.12, by adding a subdivision; and 363.061, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

The bill was read for the first time.

Nelson, D., moved that S. F. No. 2122 and H. F. No. 2235, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1727, A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement, section 13.43; subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

The bill was read for the first time.

Clark moved that S. F. No. 1727 and H. F. No. 2011, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2165, A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time.

Ozment moved that S. F. No. 2165 and H. F. No. 2527, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1834, A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

The bill was read for the first time.

Haukoos moved that S. F. No. 1834 and H. F. No. 1938, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1885, A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

The bill was read for the first time.

Solberg moved that S. F. No. 1885 and H. F. No. 1979, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2402, A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1986, sections 626A.01 to 626A.04; 626A.05, as amended; and 626A.06 to 626A.23.

The bill was read for the first time.

Carruthers moved that S. F. No. 2402 and H. F. No. 2594, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1827, A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 2275, A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194.

The bill was read for the first time.

Pappas moved that S. F. No. 2275 and H. F. No. 1251, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2390, A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

The bill was read for the first time and referred to the Committee on Metropolitan Affairs.

S. F. No. 1819, A bill for an act relating to landlord and tenant; authorizing tenants to pay for certain utilities and deduct the payments from rent due; proposing coding for new law in Minnesota Statutes, chapter 504.

The bill was read for the first time.

Jefferson moved that S. F. No. 1819 and H. F. No. 1872, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 752, A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

The bill was read for the first time and referred to the Committee on Appropriations.

S. F. No. 1788, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivisions 1 and 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

The bill was read for the first time.

Carruthers moved that S. F. No. 1788 and H. F. No. 2095, 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

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for Monday, March 28, 1988:

H. F. Nos. 2537, 2151, 2216, 2396 and 1925; S. F. Nos. 1018, 1643 and 1717; H. F. No. 2654; S. F. No. 1608; H. F. Nos. 1890, 1719 and 1630; S. F. Nos. 1958, 2117, 1822, 1948 and 1749; and H. F. No. 2527.

Wynia 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 Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Taxes to which was referred:

H. F. No. 2590, A bill for an act relating to property tax reform; changing property tax classifications, aids, and credits; abolishing certain levy limits; increasing the state share of financial participation in aid to families with dependent children, emergency assistance, general assistance, emergency general assistance, work readiness, Minnesota supplemental assistance, medical assistance, preadmission screening, alternative care grants, and general assistance medical care to 100 percent; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs and public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 18.023, subdivision 8; 110B.15, subdivision 4; 115.34, subdivision 1; 124.2137, subdivision 1; 134.34, subdivision 5; 164.041; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; 273.135, subdivision 5; 273.1391, subdivision 4; 275.14; 275.15; 275.16; 279.01, as amended; 298.28, subdivision 12; 298.282,

subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 393.07, subdivision 2; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 465.73; 471.1921; 471.572, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F.08, subdivision 3a; 475.74; 475.754; 477A.011, subdivisions 6, 10, 11, and by adding subdivisions; and 477A.012, subdivision 2; Minnesota Statutes 1987 Supplement, sections 38.27, subdivision 3; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 129A.06, subdivision 2; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.123, subdivisions 1, 4, 5, and 7; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, 25, and 31; 273.1392; 273.1393; 273.42, subdivision 2; 275.50, subdivision 2; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2 and 2a; 393.07, subdivision 10; 412.251; 447.34, subdivision 1; 447.35; 469.107; 471.74, subdivision 2; 473.446, subdivision 1; 473.8441, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; and 477A.013, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256 and 273; amending Laws 1987, chapter 268, article 6, sections 19 and 53; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 275.11; 275.50, as amended; 275.51, as amended; 275.54; 275.55; 275.56; 275.561; 275.58; 383C.552; 471A.04; and 477A.011, subdivisions 3a, 4, 5, 7a, 13, and 14; Minnesota Statutes 1987 Supplement, sections 245.775; 256D.22; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290A.04, subdivision 2b; 477A.011, subdivision 7; and 477A.012, subdivision 1; Laws 1987, chapter 268, article 5, section 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INDIVIDUAL INCOME TAX

Section 1. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 3a, is amended to read:

Subd. 3a. [TRUST.] The term "trust" has the meaning given in provided under the Internal Revenue Code of 1986, as amended through December 31, 1986 1987.

Sec. 2. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] The term "resident" means (1) any individual domiciled in Minnesota, except that an individual is not a "resident" for the period of time that the individual is a "qualified individual" as defined in section 911(d)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1986, unless, during that period, a Minnesota homestead application is filed for property in which the individual has an interest; and (2) any individual domiciled outside the state who maintains a place of abode in the state and spends in the aggregate more than one-half of the tax year in Minnesota, unless the individual or the spouse of the individual is in the armed forces of the United States, or the individual is covered under the reciprocity provisions in section 290.081.

For purposes of this subdivision, presence within the state for any part of a calendar day constitutes a day spent in the state. Individuals shall keep adequate records to substantiate the days spent outside the state.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1986, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the fund or series of funds regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, or the fund of the regulated investment company as defined in section 851(q) of the Internal Revenue Code of 1986, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a

deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability; and

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to six and \$1,000 for each dependent in grades seven to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income of elderly and disabled individuals as provided under section 8; and

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under section 5.

Sec. 5. Minnesota Statutes 1986, section 290.01, is amended by adding a subdivision to read:

Subd. 20g. [ACRS MODIFICATION FOR INDIVIDUALS.] (a) An individual is allowed a subtraction from federal taxable income for the amount of accelerated cost recovery system deductions that were added to federal adjusted gross income in computing Minnesota gross income for taxable year 1981, 1982, 1983, or 1984 and that were not deducted in a later taxable year. The deduction is allowed beginning in the first taxable year after the entire allowable deduction for the property has been allowed under federal law or the first taxable year beginning after December 31, 1987, whichever is later. The amount of the deduction is computed by deducting the amount added to federal adjusted gross income in computing Minnesota gross income (less any deduction allowed under Minnesota Statutes 1986, section 290.01, subdivision 20f) in equal annual amounts over five years.

(b) In the event of a sale or exchange of the property, a deduction is allowed equal to the lesser of (1) the remaining amount that would be allowed as a deduction under paragraph (a) or (2) the amount of capital gain recognized and the amount of cost recovery deductions that were subject to recapture under sections 1245 and 1250 of the Internal Revenue Code of 1986 for the taxable year.

(c) In the case of a corporation electing S corporation status under section 1362 of the Internal Revenue Code, the amount of the corporation's cost recovery allowances that have been deducted in computing federal tax, but have been added to federal taxable income or not deducted in computing tax under this chapter as a result of the application of subdivision 19e, paragraphs (a) and (c) or Minnesota Statutes 1986, section 290.09, subdivision 7 is allowed as

a deduction to the shareholders under the provisions of paragraph (a).

Sec. 6. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1987, must be computed by applying to their taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$4,000	4 percent
over \$4,000, but not over \$11,000	\$160 plus 6 percent of the excess over \$4,000
over \$11,000, but not over \$21,000	\$580 plus 8 percent of the excess over \$11,000
over \$21,000	\$1,380 plus 9 percent of the excess over \$21,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000;

plus an amount equal to ten 0.5 percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 amount of taxable income over \$75,500 but not over \$165,000.

(b) The income taxes imposed by this chapter upon unmarried individuals, married individuals filing separate returns, estates, and trusts must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$3,000	4 percent
over \$3,000, but not over \$9,000	\$120 plus 6 percent of the excess over \$3,000
over \$9,000, but not over \$16,000	\$480 plus 8 percent of the excess over \$9,000
over \$16,000	\$1,040 plus 9 percent of the excess over \$16,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent of the excess over \$13,000;

plus an amount equal to ten 0.5 percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 amount of federal taxable income over \$42,700 but not over \$93,000.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986, must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$3,500	4 percent
over \$3,500, but not over \$10,000	\$140 plus 6 percent of the excess over \$3,500
over \$10,000, but not over \$18,500	\$530 plus 8 percent of the excess over \$10,000
over \$18,500	\$1,210 plus 9 percent of the excess over \$18,500

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent of the excess over \$16,000;

plus an amount equal to ten 0.5 percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 amount of taxable income over \$64,300, but not over \$135,000.

(d) The income tax imposed by this chapter on married individuals filing separate returns, and estates and trusts, must be computed by applying to taxable net income the following schedule of rates:

<u>if taxable income is:</u>	<u>the tax is:</u>
<u>not over \$9,500</u>	<u>6 percent</u>
<u>over \$9,500</u>	<u>\$570 plus 8 percent</u> <u>of the excess over \$9,500;</u>

plus an amount equal to 0.5 percent of the amount of taxable income over \$37,800, but not over \$82,500.

(e) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) (f) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota sourced federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1986, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of

1986, as amended through December 31, 1986 1987, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

(g) Any individual who has income which is included in the computation of federal adjusted gross income but is not subject to tax by Minnesota other than income specifically allowed as a subtraction under section 290.01, subdivision 19b, shall compute the tax in the same manner described in paragraph (f). The numerator of the fraction under paragraph (f) is the individual's Minnesota source federal adjusted gross income reduced by the income not subject to Minnesota tax and the denominator is the federal adjusted gross income.

Sec. 7. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) If a taxpayer who is a resident of this state or is a domestic corporation or corporation commercially domiciled in Minnesota has become liable for taxes on or measured by net income to another state or province or territory of Canada upon income allocated or apportioned to Minnesota, the taxpayer is entitled to a credit for the tax paid to another state or province or territory of Canada if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7a, clause (b), and is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(b) For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state or province or territory of Canada that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987, to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) For a corporation, the ratio is determined by dividing the net income from personal or professional services within such other state, or, if the taxpayer is an athletic team where all of the team's income is apportioned to Minnesota, it is the total net income subject to tax in such other state or province or territory of Canada, divided by the Minnesota taxable net income. This percentage shall be applied only against the tax assessed by this section.

(d) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state or province or

territory of Canada on the gross income earned within the other state or province or territory of Canada subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state or province or territory of Canada on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state or province or territory of Canada on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state or province or territory of Canada. The taxpayer must submit sufficient proof to show entitlement to a credit.

Sec. 8. [290.0802] [SUBTRACTION FOR THE ELDERLY AND DISABLED.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year.

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1987.

(d) "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code, but excluding tier one railroad retirement benefits.

(e) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

Subd. 2. [SUBTRACTION.] (a) In the case of a qualified individual, a subtraction from federal taxable income is allowed in com-

putting the tax imposed by this chapter equal to the lesser of federal taxable income or the individual's subtraction base amount.

(b)(1) The initial subtraction base amount equals

(i) \$10,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) \$8,000 for a single taxpayer, and

(iii) \$5,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) \$15,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) \$12,000 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) \$7,500 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

Subd. 3. [RESTRICTIONS; MARRIED COUPLES.] Except in the case of a husband and wife who live apart at all times during the taxable year, if the taxpayer is married at the close of the taxable year, the subtraction under this section is allowable only if the taxpayers file joint federal and state income tax returns for the taxable year.

Sec. 9. Minnesota Statutes 1987 Supplement, section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY; CREDIT FOR TAXES PAID TO ANOTHER STATE.]

(a) The compensation received for the performance of personal or professional services within this state by an individual whose residence, place of abode, and place customarily returned to at least once a month is in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of residence; provided that such state allows a

similar exclusion of compensation received by residents of Minnesota for services performed therein; or.

(b) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, or if the taxpayer is an athletic team and all of the team's income is apportioned to Minnesota, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter the taxpayer shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to the taxpayer's entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or territory of Canada and subject to taxation under this chapter, and (2) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7a, clause (2), and is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(c) The commissioner shall by rule determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply. As long as the provisions of clause (a) apply between Minnesota and Wisconsin, the provisions of clause (a) shall apply to any individual who is domiciled in Wisconsin.

(d) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed, provided that such tax is actually paid in that taxable year, or subsequent taxable years.

For purposes of clause (b), where a Minnesota resident reported an item of income to Minnesota and is assessed tax in another state or a province or territory of Canada on that same item of income after the Minnesota statute of limitations has expired, the taxpayer shall be allowed to receive a credit for that year based on clause (b), notwithstanding the provisions of sections 290.49, 290.50, and

290.56. For purposes of the preceding sentence, the burden of proof shall be on the taxpayer to show entitlement to a credit.

(e) (c) For the purposes of clause (a), whenever the Wisconsin tax on Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chair. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that the person 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.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290.17, subdivision 2, is amended to read:

Subd. 2. [INCOME NOT DERIVED FROM CONDUCT OF A TRADE OR BUSINESS.] The income of a taxpayer subject to the

allocation rules that is not derived from the conduct of a trade or business must be assigned in accordance with paragraphs (a) to (f):

(a)(1) Subject to paragraphs (a)(2) and (a)(3), income from labor or personal or professional services is assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources is treated as income from sources without this state.

(2) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner:

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota; and

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete or entertainer not listed in clause (i), for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(3) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer firefighters' relief association, by way of payment as a pension, public employee retirement benefit, or any combination of these, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 408, or 409, or as defined in section 403(b) or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1986, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(b) Income or gains from tangible property located in this state that is not employed in the business of the recipient of the income or gains must be assigned to this state.

(c) Except upon the sale of a partnership interest or the sale of stock of an "S" corporation, income or gains from intangible personal property not employed in the business of the recipient of the income or gains must be assigned to this state if the recipient of the income or gains is a resident of this state or is a resident trust or estate.

Gain on the sale of a partnership interest is allocable to this state in the ratio of the original cost of partnership tangible property in this state to the original cost of partnership tangible property everywhere, determined at the time of the sale. If more than 50 percent of the value of the partnership's assets consists of intangibles, gain or loss from the sale of the partnership interest is allocated to this state in accordance with the sales factor of the partnership for its first full tax period immediately preceding the tax period of the partnership during which the partnership interest was sold.

Gain on the sale of stock held in an "S" corporation is allocable to this state in the ratio of the original cost of tangible property of the "S" corporation within this state to the original cost of tangible property of the "S" corporation everywhere.

(d) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state.

(e) Income from winnings on Minnesota pari-mutuel betting tickets and lawful gambling as defined in section 349.12, subdivision 2, conducted within the boundaries of the state of Minnesota shall be assigned to this state.

(f) All items of gross income not covered in paragraphs (a) to (e) and not part of the taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.

Sec. 11. Minnesota Statutes 1987 Supplement, section 290.38, is amended to read:

290.38 [RETURNS OF MARRIED PERSONS.]

A husband and wife must file a joint Minnesota income tax return if they filed a joint federal income tax return. If a joint return is made the tax shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several; provided that a spouse who is relieved of a liability attributable to a substantial underpayment under section 6013(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall also be relieved of the state tax liability on the substantial underpayment. If the husband and wife have elected to file separate federal income tax returns they must file separate Minnesota income tax returns. This election to file a joint or separate returns must be changed if they change their election for federal purposes. In the event taxpayers desire to change their election, such change shall be done in the manner and on such form as the commissioner shall prescribe by rule.

The determination of whether an individual is married shall be made under provisions of section 7703 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

Sec. 12. Minnesota Statutes 1986, section 290.39, is amended by adding a subdivision to read:

Subd. 5. [PARTNERSHIPS; NONRESIDENT PARTNERS.] (a) The commissioner may allow a partnership with five or more nonresident partners to file a composite return on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, social security numbers, income allocation, and tax liability for all nonresident partners electing to be covered by the composite return.

(b) The computation of each partner's tax liability will be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners on or before the due date for filing the individual income tax return. The request may be made a part of the return filed.

(d) The electing partner must not have any Minnesota source income other than the income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The penalty for failure to file a return as provided in section 290.53, subdivision 2, is assessed from the due date for filing a return until a non-composite return is filed. The tax paid for such an individual as part of the composite return is allowed as a payment of the tax by the individual on the date on which the composite return payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return constitutes a return for purposes of subdivision 1 of this section.

(e) This subdivision does not preclude the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 290.93. However, a composite estimate may be filed in a manner similar to and containing the same information required under paragraph (a).

(f) If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under section 290.37, subdivision 1, the tax liability is

zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.

(g) The election provided in this subdivision is not available to any partner other than a full-year nonresident individual who has no other Minnesota source income.

(h) A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this subdivision. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to each shareholder.

(i) Estates and trusts distributing current income only and the nonresident individual beneficiaries of such estates or trusts may make an election under this subdivision. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to each beneficiary.

Sec. 13. Minnesota Statutes 1987 Supplement, section 290.41, subdivision 2, is amended to read:

Subd. 2. [BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES OR SCHOOL DISTRICTS.] To the extent required by section 6041 of the Internal Revenue Code of 1986, as amended through December 31, 1986 1987, every person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and every city, county and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 290.92, subdivision 7, or on account of earnings of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (a) shall make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and such return is therefore filed only with the commissioner of internal revenue pursuant to the applicable filing and informational reporting requirements of the Internal Revenue Code of 1986, as amended through December 31, 1986 1987) in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each, and (b) shall make a return in respect to the total number of such payments and total amount of such payments, for each category of income specified, which were in excess of the amounts specified. This subdivision shall not apply to the payment of interest or

dividends to a person who was a nonresident of Minnesota for the entire year.

A person, corporation, or cooperative required to file returns under this subdivision ~~on interest, dividends, or patronage dividend payments with respect to more than 50 payees for any calendar year~~ must file all of these returns on magnetic media if the media were used to satisfy the federal reporting requirement under section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, unless the person establishes to the satisfaction of the commissioner that compliance with this requirement would be an undue hardship.

Sec. 14. Minnesota Statutes 1987 Supplement, section 290.92, subdivision 7, is amended to read:

Subd. 7. [WITHHOLDING STATEMENT TO EMPLOYEE OR PAYEE AND TO COMMISSIONER.] (1) Every person required to deduct and withhold from an employee a tax under subdivision 2a or 3, or section 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to subdivision 19, if the employee or payee had claimed no more than one withholding exemption, or who paid wages or made payments not subject to withholding under subdivision 2a or 3, or section 290.923, subdivision 2, to an employee or person receiving royalty payments in excess of \$600, or who has entered into a voluntary withholding agreement with a payee pursuant to subdivision 20, shall furnish to each such employee or person receiving royalty payments in respect to the remuneration paid by such person to such employee or person receiving royalty payments during the calendar year, on or before January 31 of the succeeding year, or, if employment is terminated before the close of such calendar year, within 30 days after the date of receipt of a written request from the employee if the 30-day period ends before January 31, a written statement showing the following:

- (a) Name of such person,
- (b) The name of the employee or payee and the employee's or payee's social security account number,
- (c) The total amount of wages as that term is defined in subdivision 1(1), and/or the total amount of remuneration subject to withholding pursuant to subdivision 20, and the amount of sick pay as required under section 6051(f) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1985 1987,
- (d) The total amount deducted and withheld as tax under subdivision 2a or 3, or section 290.923, subdivision 2.

(2) The statement required to be furnished by this subdivision in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the commissioner may prescribe.

(3) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to furnish such statements to their employees or payees under this subdivision.

(4) A duplicate of any statement made pursuant to this subdivision and in accordance with rules prescribed by the commissioner, along with a reconciliation in such form as the commissioner may prescribe of all such statements for the calendar year (including a reconciliation of the quarterly returns required to be filed pursuant to subdivision 6), shall be filed with the commissioner on or before February 28 of the year after the payments were made.

(5) The employer must submit the statements required to be sent to the commissioner on magnetic media, if the media were required to satisfy the federal reporting requirements pursuant to section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, and the regulations issued under it.

Sec. 15. Minnesota Statutes 1987 Supplement, section 290.92, subdivision 15, is amended to read:

Subd. 15. [PENALTIES; FAILURE TO PAY TAX.] (1) In the case of any failure to withhold a tax on wages, or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, there shall be added to the tax a penalty equal to three percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional three percent for each additional 30 days or fraction thereof during which the failure continues, not exceeding 24 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(1a) In the case of a failure to make and file quarterly returns with the commissioner as required by this section, there shall be added to the tax a penalty equal to three percent of the amount of tax not properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof during which the failure

continues, not exceeding 23 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(1b) 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 extension of time for filing), the addition to tax under paragraph (1a) shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax or (b) \$50.

(1c) Where penalties are imposed under paragraphs (1) and (1a), except for the minimum penalty under paragraph (1b), the combined penalty percentage shall not exceed 38 percent in the aggregate.

(2) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, willfully fails to withhold the tax or make the deposits, files a false or fraudulent return, willfully fails to make the payment or deposit, or willfully attempts in any manner to evade or defeat the tax or the payment or deposit of it, there shall also be imposed on the employer as a penalty an amount equal to 50 percent of the amount of tax, less any amount paid or deposited by the employer on the basis of the false or fraudulent return or deposit, that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(3) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of the statements, and quarterly returns, to the commissioner, willfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements, and quarterly returns, to the commissioner, or willfully fails to furnish a statement or the reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, there shall be imposed on the person a penalty of \$50 for each act or failure to act, but the total amount imposed on the delinquent

person for all such failures during any calendar year shall not exceed \$25,000. The penalty imposed by this paragraph is due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6, paragraph (8).

(4) In addition to any other penalties prescribed, any person required to withhold a tax on wages, file quarterly returns, and make payments or deposits to the commissioner of amounts withheld, as required by this section, who attempts to evade the tax by (i) willfully failing to withhold the tax, file the return, or make the payment or deposit, or (ii) willfully preparing or filing a false return, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony.

(5) In lieu of any other penalty provided by law, except the penalty provided by paragraph (3), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who willfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, is guilty of a gross misdemeanor.

(6) Any employee required to supply information to an employer under the provisions of ~~subdivision~~ subdivisions 4a and 5, who willfully fails to supply information or willfully supplies false or fraudulent information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or 3, is guilty of a gross misdemeanor.

(7) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as an officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(8) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien; but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

(9) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate or a residency affidavit to an employer which the employee has reason to know contains a materially incorrect statement is liable to the commissioner of revenue for a penalty of \$500 for each instance. The penalty is immediately due and payable and may be collected in the same manner as any delinquent income tax.

(10) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate or a residency affidavit required by subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty is immediately due and payable and may be collected in the manner provided in subdivision 6, paragraph (8).

(11) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor, unless the tax involved exceeds \$300, in which event the actor is guilty of a felony.

(12) Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 16. Minnesota Statutes 1986, section 290.92, subdivision 21, is amended to read:

Subd. 21. [EXTENSION OF WITHHOLDING TO UNEMPLOYMENT COMPENSATION BENEFITS.] (a) At the time an individual makes a claim for unemployment compensation benefits, the commissioner of jobs and training must notify the individual that the individual's unemployment compensation may be subject to state income taxes depending on the individual's other income and that the individual may elect to have the payments subject to withholding under this section. If the individual so requests, unemployment compensation benefits paid to the individual shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

(b) For purposes of this section, any supplemental unemployment compensation benefit paid to an individual to the extent includable in such individual's Minnesota gross income, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

Sec. 17. [ESTIMATED TAX EXCEPTION FOR 1987.]

For taxable years beginning after December 31, 1986, but beginning before January 1, 1988, the required amount of the annual payment of the current year's tax in determining the underpayment in Minnesota Statutes, section 290.93, subdivision 10, paragraph

(4), clause (a), shall be 80 percent instead of 90 percent and the penalty shall also be reduced by the ratio by which the salary income subject to withholding bears to the federal adjusted gross income for 1987 as determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 18. [RECOVERY OF PENSION CONTRIBUTIONS; TRANSITION RULE FOR 1987.]

This section applies to an individual taxpayer who would have been allowed a subtraction from federal taxable income under section 4, clause (4), if section 4 were effective for taxable year 1987. The taxpayer is allowed a subtraction under section 4, clause (4), equal to one-fifth of the amount that would have been allowed under section 4 for taxable year 1987 in each of the five taxable years beginning after December 31, 1987.

Sec. 19. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 290.06, subdivision 20; and 290.077, subdivision 1, are repealed.

Sec. 20. [EFFECTIVE DATES.]

Except as otherwise provided, sections 1 to 3 are effective for taxable years beginning after December 31, 1986. Sections 4, 5, 7, 8, 9, 10, 12, 13, 14, 18, and 19 are effective for taxable years beginning after December 31, 1987. The ability of surviving spouses to use the married filing joint rates in section 6 is effective for taxable years beginning after December 31, 1986. The rest of section 6 is effective for taxable years beginning after December 31, 1987. Section 11 is effective for taxable years beginning after December 31, 1984. Section 15 is effective the day following final enactment.

ARTICLE 2

CORPORATE TAX

Section 1. Minnesota Statutes 1987 Supplement, section 60E.04, subdivision 4, is amended to read:

Subd. 4. [TAXATION.] (a) All premiums paid for coverages within this state to risk retention groups are subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as that applicable to foreign admitted other insurers.

(b) To the extent agents or brokers are utilized, they shall report and pay the taxes for the premiums for risks which they have placed

with or on behalf of a risk retention group not chartered in this state. The agents or brokers are subject to the provisions of sections 60A.195 to 60A.209.

(c) To the extent agents or brokers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state and shall be subject to the same interest, fines, and penalties for nonpayment as that applicable to foreign admitted insurers.

Sec. 2. Minnesota Statutes 1986, section 237.075, subdivision 8, is amended to read:

Subd. 8. [CHARITABLE CONTRIBUTIONS.] The commission shall allow as operating expenses only those charitable contributions which the commission deems prudent and which qualify under section 290.21, subdivision 3, clause (b) or (e). Only 50 percent of the qualified contributions shall be allowed as operating expenses.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(q) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986.

Except as otherwise provided, references to the Internal Revenue

Code in subdivisions 19a to 19f mean the code in effect for purposes of determining net income for the applicable year.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities to the extent the obligations are not subject to federal tax; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia;

(3) ~~exempt interest~~ exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities.

Sec. 5. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the decrease in salary expense for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1986, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed; and

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986, in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year.

Sec. 6. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19e, is amended to read:

Subd. 19e. [DEPRECIATION MODIFICATIONS FOR CORPORATIONS.] In the case of corporations, a modification shall be made for the accelerated cost recovery system. The allowable deduction for the accelerated cost recovery system is the same amount as provided in section 168 of the Internal Revenue Code with the following modifications. The modifications apply to taxable years beginning after December 31, 1986, and to property for which deductions under the Tax Reform Act of 1986, Public Law Number 99-514, are elected or apply.

(a) For property placed in service after December 31, 1980, and before January 1, 1987, 40 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1985, for 15-, 18-, or 19-year real property shall not be allowed and for all other property 20 percent shall not be allowed.

(b) For property placed in service after December 31, 1987, no modification shall be made.

(c) For property placed in service after July 31, 1986, and before January 1, 1987, for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, and for property placed in service after December 31, 1986, and before January 1, 1988, 15 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1986 shall not be allowed.

(d) For property placed in service after December 31, 1980, and before January 1, 1987, for which the taxpayer elects to use the straight line method provided in section 168(b)(3), (f)(12), or (j)(1) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1986, but excluding property for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, the modifications provided in paragraph (a) do not apply.

(e) For property subject to the modifications contained in paragraphs (a) and ~~(b)~~ (c) and Minnesota Statutes 1986, section 290.09,

subdivision 7, clause (c), the following modification shall be made after the entire amount of the allowable deduction has been allowed for federal tax purposes for that property under the provisions of section 168 of the Internal Revenue Code of 1986, as amended through December 31, 1986. The remaining depreciable basis in those assets for Minnesota purposes, including the amount of any basis reduction to reflect the investment tax credit for federal purposes under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1986, shall be a depreciation allowance computed using the straight line method over the following number of years:

- (1) three-year property, one year;
- (2) five-year and seven-year property, two years;
- (3) ten-year property, five years; and
- (4) all other property, seven years.

(f) For property placed in service after December 31, 1987, the remaining depreciable basis for Minnesota purposes that is attributable to the basis reduction for federal purposes to reflect the investment tax credit under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1986, shall be allowed as a deduction in the first taxable year after the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1986, has been allowed, except that where the straight line method provided in section 168(b)(3) is used, the deduction provided in this clause shall be allowed in the last taxable year in which an allowance for depreciation is allowed for that property.

(g) For qualified timber property for which the taxpayer made an election under section 194 of the Internal Revenue Code of 1986, the remaining depreciable basis for Minnesota purposes is allowed as a deduction in the first taxable year after the entire allowable deduction has been allowed for federal tax purposes.

(h) The basis of property to which section 168 of the Internal Revenue Code applies is its basis as provided in this chapter including the modifications provided in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c). The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1986, as amended through December 31, 1986, apply but must be calculated using the basis provided in the preceding sentence.

(i) The basis of an asset acquired in an exchange of assets, including an involuntary conversion, is the same as its federal basis

under the provisions of the Internal Revenue Code of 1986, except that the difference in basis due to the modifications in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), is a deduction as provided in paragraph (e).

Sec. 7. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] A person, other than a resident individual, that conducts a trade or business with its principal place of business outside of Minnesota is subject to the taxes imposed by this chapter with respect to that trade or business if the trade or business makes sales or receives other income that is assignable or apportionable to this state under section 290.17, 290.191, 290.20, 290.35 or 290.36 without regard to physical presence in this state, except as provided in subdivision 3. Activities that create jurisdiction to tax under this chapter include, but are not limited to:

- (1) having a place of business in this state;
- (2) having employees, representatives, or independent contractors conducting business activities in this state;
- (3) regularly selling products or services of any kind or nature to customers in this state who receive the product or service in this state;
- (4) regularly soliciting business from potential customers in this state;
- (5) regularly performing services from outside this state which are consumed within this state;
- (6) regularly engaging in transactions with customers in this state that involve intangible property, including loans but not property described in subdivision 3, paragraph (b), and result in income flowing to the person from within this state;
- (7) owning or leasing tangible personal or real property located in this state; or
- (8) if a financial institution, regularly soliciting and receiving deposits from customers in this state. (a) Except as provided in subdivision 3, a person that conducts a trade or business that has a place of business in this state, regularly has employees or independent contractors conducting business activities on its behalf in this state, or owns or leases real property located in this state or tangible personal property located in this state as defined in section 290.191,

subdivision 6, paragraph (e), is subject to the taxes imposed by this chapter.

(b) Except as provided in subdivision 3, a person that conducts a trade or business not described in paragraph (a) is subject to the taxes imposed by this chapter if the trade or business obtains or regularly solicits business from within this state, without regard to physical presence in this state.

(c) For purposes of paragraph (b), business from within this state includes, but is not limited to:

(1) sales of products or services of any kind or nature to customers in this state who receive the product or service in this state;

(2) sales of services that are performed from outside this state but the benefits of which are consumed in this state;

(3) transactions with customers in this state that involve intangible property and result in income flowing to the person from within this state;

(4) leases of tangible personal property that is located in this state as defined in section 290.191, subdivision 6, paragraph (e);

(5) sales and leases of real property located in this state; and

(6) if a financial institution, deposits received from customers in this state.

(d) For purposes of paragraph (b), solicitation includes, but is not limited to:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition of which this state is included of a broader regional or national publication which are not

placed in other geographically defined editions of the same issue of the same publication.

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraph, telephone, computer data base, cable, optic, microwave, or other communication system.

Sec. 8. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 2, is amended to read:

Subd. 2. [PRESUMPTION.] (a) A person is presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it conducts transactions described in any of subdivision 1, clauses (3) to (6), with 20 or more residents of this state during any tax period or, if a financial institution, if the sum of its assets and the absolute value of its deposits attributable to sources within this state equals or exceeds \$5,000,000. Assets and deposits must be attributed to sources within this state by applying the principles established under section 290.191 obtaining or regularly soliciting business from within this state if:

(1) it conducts activities described in subdivision 1, without regard to transactions described in subdivision 3, with 20 or more residents of this state during any tax period; or

(2) it is a financial institution as defined in section 290.01, subdivision 4a, and the sum of its assets and the absolute value of its deposits attributable to sources within this state equals or exceeds \$5,000,000, with assets and deposits attributed to sources within this state by applying the principles established under section 290.191, except as provided in subdivision 3.

(b) A financial institution that does not satisfy the requirements of paragraph (a) is not subject to taxes imposed by this chapter except for taxes imposed under section 290.92.

Sec. 9. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) A person is not subject to tax under this chapter if the person is engaged in the business of selling tangible personal property and taxation of that person under this

chapter is precluded by Public Law Number 86-272, United States Code, title 15, sections 381 to 384.

(b) Ownership of an interest in the following types of property (including those contacts with this state reasonably required to evaluate and complete the acquisition or disposition of the property, the servicing of the property or the income from it, the collection of income from the property, or the acquisition or liquidation of collateral relating to the property) shall not be a factor in determining whether the owner is subject to tax under this chapter:

(1) an interest in a real estate mortgage investment conduit, a real estate investment trust, or a regulated investment company, as those terms are defined in the Internal Revenue Code of 1986, as amended through December 31, 1986 1987; and

(2) an interest in a loan-backed, mortgage-backed, or receivable-backed security representing either: (i) ownership in a pool of promissory notes, mortgages, or receivables or certificates of interest or participation in such notes, mortgages, or receivables, or (ii) debt obligations or equity interests which provide for payments in relation to payments or reasonable projections of payments on the notes, mortgages, or receivables, and which are issued by a financial institution or by an entity substantially all of whose assets consist of promissory notes, mortgages, receivables, or interests in them;

(3) an interest that has been purchased or acquired by or from a financial institution in any assets described in section 290.191, subdivision 11, paragraphs (e) to (l), and in which the payment obligations embodied in such assets were solicited and entered into by persons independent and not acting on behalf of the owner;

(4) an interest that has been purchased or acquired by or from a financial institution in the right to service, or collect income from any assets described in section 290.191, subdivision 11, paragraphs (e) to (l), and in which the payment obligations embodied in such assets were solicited and entered into by persons independent and not acting on behalf of the owner;

(5) an interest in any intangible, tangible, real, or personal property acquired in satisfaction, whether in whole or in part, of any asset embodying a payment obligation that is in default, whether secured or unsecured, the ownership of an interest in which would be exempt under the preceding provisions of this subdivision, provided the property is disposed of within a reasonable period of time.

(6) amounts held in escrow or trust accounts, pursuant to and in accordance with the terms of property described in this subdivision.

If the person is the member of a unitary group, this paragraph (b) does not apply to an interest acquired from another member of the unitary group.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] (a) This section does not (1) subject a trade or business to any regulation, including any tax, of any local unit of government or subdivision of this state if the trade or business does not own or lease tangible or real property located within this state and has no employees or independent contractors present in this state to assist in the carrying on of the business; or (2) ~~exclude a trade or business from the filing requirements of the notice of business activities report under section 290.371.~~

(b) The purchase of tangible personal property or intangible property or services by a person that conducts a trade or business with the principal place of business outside of Minnesota (the "non-Minnesota person") from a person within Minnesota shall not be taken into account in determining whether the non-Minnesota person is subject to the taxes imposed by this chapter, except for services involving either the direct solicitation of Minnesota customers or relationships with Minnesota customers after sales are made.

(c) No contact with any Minnesota financial institution by any financial institution with its principal place of business outside Minnesota with respect to transactions described in subdivision 3 shall be taken into account in determining whether such a financial institution is subject to the taxes imposed by this chapter. The fact of participation by a Minnesota financial institution in a transaction that also involves a borrower and a financial institution that conducts a trade or business with its principal place of business outside of Minnesota is not a factor in determining whether the financial institution is subject to the taxes imposed by this chapter. This paragraph does not apply to transactions between or among members of the same unitary group.

Sec. 11. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] (a) The franchise tax imposed by this chapter upon corporations shall be computed by applying to their taxable income the rate of 9.5 percent adjusted as provided in paragraph (b).

(b) For taxable years beginning after December 31, 1989, the commissioner of revenue must adjust the rate provided in paragraph (a) as provided in this paragraph. By December 15, 1989, the commissioner shall prepare a forecast of revenues predicted to be

raised for taxable years beginning in 1990 by the franchise tax on corporations under this chapter for taxable years beginning in 1990, including the tax under section 290.092, computed as if the tax were imposed under section 290.092, subdivisions 1 to 4, and the rate in effect in this subdivision were 9.5 percent. The commissioner shall adjust the rate provided in paragraph (a) so that the amount forecast to be raised by the franchise tax on corporations under this chapter, including the tax under section 290.092, subdivision 5, is equal to the amount of the forecast computed as if the tax under section 290.092, subdivisions 1 to 4, were in effect. The adjustment of the tax rate by the commissioner under this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

Sec. 12. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 21, is amended to read:

Subd. 21. [ALTERNATIVE MINIMUM TAX.] (a) A corporation is allowed a credit for alternative minimum tax previously paid for any taxable year in which the corporation has no tax liability under section 290.092, subdivision 1, and has an alternative minimum tax credit carryover from a previous year. The credit allowable in any taxable year shall be equal to the lesser of (1) the excess of the tax under section 290.06 for the taxable year over the amount computed under section 290.092, subdivision 1, clause (a) (1), for the taxable year, or (2) the alternative minimum tax credit carryover to the taxable year.

(b) The tax imposed under section 290.092, subdivision 1, for any taxable year is a credit for an alternative minimum tax previously paid which is a credit carryover to each of the five taxable years succeeding the taxable year. The entire amount of the alternative minimum tax credit must be carried to the earliest of the taxable years year to which such amount may be carried. ~~The portion of the alternative minimum tax credit which is carried to each of the other taxable years to which the credit may be carried is the excess, if any, of the credit over the amount allowable under paragraph (a) for each of the taxable years to which the credit may be carried. In each taxable year in which a credit is allowable under paragraph (a), the credit for alternative minimum tax previously paid must be used beginning with the earliest taxable year from which the credit may be carried. Any unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the alternative minimum tax was paid.~~

Sec. 13. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAX BASE.] The alternative minimum tax base equals the sum of:

- (1) the total amount of Minnesota sales and or receipts;
- (2) the amount of the taxpayer's total Minnesota property; and
- (3) the taxpayer's total Minnesota payrolls;

less the exemption amount, if any.

Sec. 14. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] (a) "Minnesota sales and or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, and any other tangible property located in Minnesota except as provided in subdivision 4a. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. For the first five taxable years during which a corporation is subject to taxation under this chapter, the amount of its Minnesota property and payrolls shall be deemed to be zero for purposes of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, except as provided in subdivision 4a. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

(d) The "exemption amount" equals the lesser of (1) the sum of the taxpayer's Minnesota sales and or receipts, property, and payrolls, as defined in this section, or (2) \$5,000,000 reduced by one-half of the amount of the taxpayer's total sales and receipts, property, and payrolls, as defined in this section, in excess of \$10,000,000. In the case of a unitary group, the exemption amount equals the lesser of (1) the sum of the unitary group's Minnesota sales or receipts, property, and payrolls or (2) \$5,000,000 reduced by one-half of the unitary group's total sales or receipts, property, and payrolls in excess of \$10,000,000. Each member of a unitary group may use a

portion of the unitary group's exemption amount based on a fraction, the numerator of which is the sum of the taxpayer's Minnesota sales or receipts, property, and payrolls and the denominator is the sum of the Minnesota sales or receipts, property, and payrolls of all unitary members subject to the taxes imposed by this chapter. Total sales and receipts, property, and payroll means the total determined under section 290.191 as the denominator of the apportionment formula. For purposes of this section, taxpayers who use an apportionment formula that does not include sales or receipts, property, and payrolls shall, nevertheless, use those amounts as defined in section 290.191, subdivisions 5 to 12. On a return for a short taxable year, the amount of total property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365. In the case of a unitary business, the exemption amount must reflect the factors of the entire all businesses included in the unitary business group as reported on the combined report defined in section 290.17, subdivision 4. A corporation that has as its sole or primary business activity (1) the providing of professional services, as defined in section 319A.02; (2) operation as a financial institution, as defined in section 290.01, subdivision 4a; (3) sales or management of real estate; or (4) operation as an insurance agency, as defined in section 60A.02, does not have an exemption amount.

Sec. 15. Minnesota Statutes 1987 Supplement, section 290.092, is amended by adding a subdivision to read:

Subd. 4a. [NEW BUSINESS EXCLUSION.] For the first five taxable years during which a corporation is subject to taxation under this chapter, the amount of its Minnesota property and payrolls must be excluded from the alternative minimum tax base unless it is disqualified in this subdivision. A corporation is considered subject to taxation under this chapter if it would be subject to Minnesota's jurisdiction to tax as provided in section 290.015, before claiming this exclusion. The following does not qualify for this exclusion:

(1) a corporation that is a member of a unitary group that includes at least one business that does not qualify for this exclusion;

(2) any corporation organized under the laws of this state or certified to do business within this state at least five taxable years before the taxable year in which this exclusion is claimed;

(3) corporations created by: reorganizations, as defined in section 368 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or split-ups, split-offs, or spin-offs, as described in section 355 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or the transfer or acquisition, whether directly or indirectly, of assets which constitute a trade or business,

including stock purchases under section 338 of the Internal Revenue Code of 1986, as amended through December 31, 1987, where the surviving, newly formed, or acquiring corporation conducts substantially the same activities as the predecessor corporation, regardless of whether or not the survivor corporation also conducts additional activities, and the predecessor corporation would not otherwise qualify for this exclusion if it had continued to conduct those activities;

(4) any change in identity or form of business where the original business entity would have been subject to Minnesota's taxing jurisdiction, as provided in section 290.015, at least five taxable years before the taxable year in which this exclusion is claimed;

(5) a corporation, the primary business activity of which is the providing of professional services as defined in section 319A.02, operation as a financial institution, as defined in section 290.01, subdivision 4a; sales or management of real estate; or operation as an insurance agency, as defined in section 60A.03; or

(6) a corporation the affairs of which the commissioner finds were arranged as they were primarily to reduce taxes.

Sec. 16. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 5, is amended to read:

Subd. 5. [IMPOSITION OF TAX AFTER 1989.] For taxable years beginning after December 31, 1989, in addition to the taxes computed under this chapter ~~without regard to this section~~, the franchise tax imposed on corporations includes a tax equal to the excess, if any, of:

~~(1) 40 percent of the tax imposed upon the corporation under section 55(a) of the Internal Revenue Code of 1986, as amended through December 31, 1986, apportioned to Minnesota under section 290.191. In computing the amount of the liability under section 55(a) of the Internal Revenue Code of 1986, the regular federal tax liability under section 55(a)(2) of the Internal Revenue Code of 1986, must be determined using federal taxable income as modified by sections 290.01, subdivisions 19c and 19d, 290.095, and 290.21, and alternative minimum taxable income under section 56 of the Internal Revenue Code of 1986 must be computed as if the section 290.095 restrictions on net operating losses applied.~~

~~(2) the amount of tax computed under this chapter without regard to this section.~~

Sec. 17. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 1, is amended to read:

Subdivision 1. [ALLOWANCE OF DEDUCTION.] (a) There shall be allowed as a deduction for the taxable year the amount of any net operating loss deduction as provided in section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1986, subject to the limitations and modifications provided in this section.

(b) A net operating loss deduction shall be available under this section only to corporate taxpayers except that subdivisions 7, 9, and 11 hereof apply only to individuals, estates, and trusts.

(c) In the case of a regulated investment company or fund thereof, as defined in section 851(a) or 851(q) of the Internal Revenue code of 1986, as amended through December 31, 1987, the deduction provided by this section is not allowed.

Sec. 18. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 3, is amended to read:

Subd. 3. [CARRYOVER.] (a) A net operating loss for any taxable year incurred in a taxable year: (i) beginning after December 31, 1986, shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of such loss; (ii) beginning before January 1, 1987, shall be a net operating loss carryover to each of the five taxable years following the taxable year of such loss subject to the provisions of Minnesota Statutes 1986, section 290.095; and (iii) beginning before January 1, 1987, shall be a net operating loss carryback to each of the three taxable years preceding the loss year subject to the provisions of Minnesota Statutes 1986, section 290.095.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the taxable years to which such loss may be carried.

(c) Where a corporation does business both within and without Minnesota, and apportions its income under the provisions of section 290.191, the net operating loss deduction incurred in any taxable year shall be allowed to the extent of the apportionment ratio of the loss year.

(d) No additional net operating loss deduction is allowed in a subsequent taxable year for the portion of a net operating loss deduction incurred in any taxable year used to offset Minnesota income in a year in which the taxpayer is subject to the alternative minimum tax in section 290.092.

Sec. 19. Minnesota Statutes 1987 Supplement, section 290.095, is amended by adding a subdivision to read:

Subd. 12. [UNITARY GROUP; CARRYBACK; CARRYFORWARD.] (a) A taxpayer may elect a net operating loss carryback to each of the three taxable years preceding the taxable year of the loss and a net operating loss carryover to each of the five taxable years following the taxable year of the loss, notwithstanding subdivision 3, clause (a). The net operating loss carryback and carryover allowed under this subdivision is limited to the part of the net operating loss attributable to the deduction allowed for bad debts under section 166(a) of the Internal Revenue Code of 1986, as amended through December 31, 1987. The part of the net operating loss for any taxable year that is attributable to the deduction allowed for bad debts is the excess of the net operating loss for the taxable year, over the net operating loss for the taxable year determined without regard to the amount allowed as a deduction for bad debts for the taxable year. In applying the provisions of subdivision 3, clause (b), the part of the net operating loss for the loss year that is attributable to the deduction allowed for bad debts is considered a separate net operating loss for the year to be applied before the other part of the net operating loss. This subdivision applies only to taxpayers where a member of the unitary group meets the definition found in section 585(c)(2)(A) of the Internal Revenue Code of 1986, as amended through December 31, 1987, and includes all corporations included in the unitary group and required to be included on a combined report. A refund of tax that is the result of a net operating loss carryback under this subdivision must be paid after two years but before two years and 30 days after the claim for refund was filed.

(b) This subdivision is repealed effective for taxable years beginning after December 31, 1993.

Sec. 20. Minnesota Statutes 1987 Supplement, section 290.10, is amended to read:

290.10 [NONDEDUCTIBLE ITEMS.]

Notwithstanding any other provision of law, in computing the net income of a corporation no deduction shall in any case be allowed for expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter, except that for corporations engaged in the business of mining or producing iron ore, the mining of which is subject to the occupation tax imposed by section 298.01, subdivision 1, and the provisions of section 298.031, this shall not prevent the deduction of expenses and other items to the extent that the expenses and other items are allowable under this chapter and are not deductible, capitalizable, retainable in basis, or taken into account by allowance or otherwise in computing the occupation tax and do not exceed the amounts taken for federal income tax purposes

for that year. Occupation taxes imposed under chapter 298, royalty taxes imposed under chapter 299, or depletion expenses may not be deducted under this clause.

Sec. 21. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.] (a) For purposes of this section, the rules in this subdivision and subdivisions 7 and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market ~~transactions~~ instruments, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock, aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

(1) the operation of the property is entirely within the state; or

(2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the business applied for the loan. "Applied for" means initial inquiry (including customer assistance in preparing the loan application) or submission of a completed loan application, whichever occurs first there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) Interest income and other receipts from a participating financial institution's portion of participation loans must be attributed under paragraphs (e) to (h). A participation loan is a loan in which more than one lender is a creditor to a common borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state.

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securi-

ties of this state, its political subdivisions, agencies, and instrumentalities must be attributed to this state.

(o) Receipts from a financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), are not included in the numerator or the denominator of the receipts factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (n) and section 290.191, subdivision 7.

Sec. 22. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.]

(a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which the business applied for the loan. "Applied for" means initial inquiry (including customer assistance in preparing the loan appli-

ation) or submission of a completed loan application, whichever occurs first there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of a participation loan must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution subject to this regulation, the receipts assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (1).

Sec. 23. Minnesota Statutes 1987 Supplement, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in clause (b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes if the contribution or gift consists of real property located in Minnesota,

(e) to or for the use of a foundation if the foundation is organized and operated exclusively for a purpose in clause (b), and has no part of its net earnings inuring to the benefit of a private shareholder or individual, but does not carry on substantially all of its activities within this state. The deduction under this clause equals the amount of the corporation's contributions or gifts to the foundation within the taxable year multiplied by a fraction equal to the ratio of the foundation's total expenditures during the taxable year for the benefit of organizations described in clause (b) to the foundation's total expenditures during the taxable year.

(f) the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

(g) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or

before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by rules prescribe.

Sec. 24. Minnesota Statutes 1987 Supplement, section 290.21, subdivision 4, is amended to read:

Subd. 4. (a) Eighty percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 20 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of the other corporation and the dividends were paid from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the remainder shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state.

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, 80 percent of dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of the other corporation, from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the dividends shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the

amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision shall not be allowed with respect to any dividend for which a deduction is not allowed under the provisions of section 246(c) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law Number 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) The deduction provided by this subdivision does not apply if the dividends are paid by a FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

Sec. 25. Minnesota Statutes 1987 Supplement, section 290.35, subdivision 2, is amended to read:

Subd. 2. [APPORTIONMENT OF TAXABLE NET INCOME.] The commissioner shall compute therefrom the taxable net income of such companies by assigning to this state that proportion thereof which the gross premiums collected by them during the taxable year from old and new business within this state bears to the total gross premiums collected by them during that year from their entire old and new business, including reinsurance premiums; provided, the commissioner shall add to the taxable net income so apportioned to

this state the amount of any taxes on premiums paid by the company by virtue of any law of this state (other than the surcharge on premiums imposed by sections 69.54 to 69.56) which shall have been deducted from gross income by the company in arriving at its total net income under the provisions of such act of congress.

(a) For purposes of determining the Minnesota apportionment percentage, premiums from reinsurance contracts assumed from companies domiciled in Minnesota and premiums in connection with property in or liability arising out of activity in, or in connection with the lives or health of Minnesota residents shall be assigned to Minnesota and premiums from reinsurance contracts assumed from companies domiciled outside of Minnesota and premiums in connection with property in or liability arising out of activity in, or in connection with the lives or health of non-Minnesota residents shall be assigned outside of Minnesota. Reinsurance premiums are presumed to be received for a Minnesota risk and are assigned to Minnesota, if:

(1) the reinsurance contract is assumed for a company domiciled in Minnesota; and

(2) the taxpayer, upon request of the commissioner, fails to provide reliable records indicating the reinsured contract covered non-Minnesota risks.

For purposes of this paragraph, "Minnesota risk" means coverage in connection with property in or liability arising out of activity in Minnesota, or in connection with the lives or health of Minnesota residents.

(b) The apportionment method prescribed by paragraph (a) shall be presumed to fairly and correctly determine the taxpayer's taxable net income. If the method prescribed in paragraph (a) does not fairly reflect all or any part of taxable net income, the taxpayer may petition for or the commissioner may require the determination of taxable net income by use of another method if that method fairly reflects taxable net income. A petition within the meaning of this section must be filed by the taxpayer on such form as the commissioner shall require.

Sec. 26. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Every corporation that, during any calendar year or fiscal accounting year ending beginning after December 31, 1986, carried on any activity or owned or maintained any property in this state, unless specifically exempted under subdivision 3, obtained any business from within this state as described in section 290.015, subdivision 1, with the exception of:

(1) activity levels lower than those set forth in section 290.015, subdivision 2, paragraph (a), clause (2); or

(2) activities described in section 290.015, subdivision 3, paragraph (b); or

(3) corporations specifically exempted under subdivision 2 of this section

must file a notice of business activities report, as provided in this section. Filing of the report is not a factor in determining whether a corporation is subject to taxation under this chapter.

Sec. 27. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] A corporation is not required to file a notice of business activities report if:

(1) by the end of an accounting period for which it was otherwise required to file a notice of business activities report under this section, it had received a certificate of authority to do business in this state;

(2) a timely return or report has been filed under section 290.05, subdivision 4; or 290.37; or

(3) the corporation is exempt from taxation under this chapter pursuant to section 290.05, subdivision 1; or

(4) the corporation's activities in Minnesota, or the interests in property which it owns, consist solely of activities or property exempted from jurisdiction to tax under section 290.015, subdivision 3, paragraph (b).

Sec. 28. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 4, is amended to read:

Subd. 4. [ANNUAL FILING.] Every corporation not exempt under subdivision 3 must file annually a notice of business activities report, including such forms as the commissioner may require, with respect to ~~all or any part of~~ each of its calendar or fiscal accounting years beginning after December 31, 1986, on or before the 15th day of the fourth month after the close of the calendar or fiscal accounting year.

Sec. 29. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 5, is amended to read:

Subd. 5. [FAILURE TO FILE TIMELY REPORT.] (a) Any corporation required to file a notice of business activities report does not have any cause of action upon which it may bring suit under Minnesota law unless the corporation has filed a notice of business activities report.

(b) The failure of a corporation to file a timely report prevents the use of the courts in this state, except regarding activities described in subdivision 3, clause (4), for all contracts executed and all causes of action that arose at any time before the end of the last accounting period for which the corporation failed to file a required report.

(c) The court in which the issues arise has the power to excuse the corporation for its failure to file a report when due, and restore the corporation's cause of action under the laws of this state, if the corporation has paid all taxes, interest, and civil penalties due the state for all periods, or provided for payment of them by adequate security or bond approved by the commissioner.

(d) Notwithstanding the provisions of section 290.61, the commissioner may acknowledge whether or not a particular corporation has filed with the commissioner reports or returns required by this chapter if the acknowledgment:

(1) is to a party in a civil action;

(2) relates to the filing status of another party in the same civil action; and

(3) is in response to a written request accompanied by a copy of the summons and complaint in the civil action.

Sec. 30. Minnesota Statutes 1986, section 290.50, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] This section shall not be construed so as to disallow:

(a) a net operating loss carryback to any taxable year authorized by section 290.095 or section 172 of the Internal Revenue Code of 1954, as amended through December 31, 1985, but the refund or credit shall be limited to the amount of overpayment arising from the carryback;

(b) a capital loss carryback by a corporation under Minnesota Statutes 1986, section 290.16, provided that the claim for refund or credit is made prior to the expiration of the 15th day of the 45th month following the end of the taxable year of the net capital loss which results in the carryback, plus any extension of time granted for filing the return, but only if the return was filed within the

extended time, and the refund or credit is limited to the amount of overpayment arising from the carryback.

Sec. 31. Minnesota Statutes 1987 Supplement, section 290.9725, is amended to read:

290.9725 [ELECTION BY SMALL BUSINESS CORPORATION S CORPORATIONS.]

For purposes of this chapter, the term "S corporation" means any corporation having a valid election in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1986, 1987. An S corporation shall not be subject to the taxes imposed by this chapter, except:

(1) the corporation is subject to the tax imposed under section 290.92; and

(2) the corporation is subject to the tax imposed under section 290.92 in any tax period in which it recognizes income for federal income tax purposes under Internal Revenue Code, section 1363(d), 1374, or 1375; the total amount of income recognized is the federal taxable income for the corporation within the meaning of section 290.01, subdivision 19; the provisions of sections 290.01, subdivisions 19a to 19f, and 290.17 to 290.20, must be employed to determine the taxable net income of the corporation; and the taxable net income of the corporation is its taxable income, except that any net operating loss carryforward that arose in a year when there was no election in effect under Section 1362 of the Internal Revenue Code is allowed as a deduction for taxes imposed under sections 290.92, 290.9727, 290.9728, and 290.9729.

Sec. 32. [290.9727] [TAX ON CERTAIN BUILT-IN GAINS.]

Subdivision 1. [TAX IMPOSED.] For a corporation electing S corporation status pursuant to section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1987, after December 31, 1986, and having a recognized built-in gain as defined in section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1987, there is imposed a tax on the taxable income of such S corporation, as defined in this section, at the rate prescribed by section 290.06, subdivision 1. This section does not apply to any corporation having an S election in effect for each of its taxable years. An S corporation and any predecessor corporation must be treated as one corporation for purposes of the preceding sentence.

Subd. 2. [TAXABLE INCOME.] For purposes of this section, taxable income means taxable net income less the deduction for net operating loss carryforwards as provided by this section.

Subd. 3. [TAXABLE NET INCOME.] For purposes of this section, taxable net income means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as determined under section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the modifications provided in section 290.01, subdivisions 19e and 19f, that are allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Subd. 4. [NET OPERATING LOSS CARRYFORWARD.] A net operating loss carryforward, as determined under section 290.095, arising in a taxable year before the corporation elected S corporation status, shall be allowed as a deduction against the lesser of the amounts referred to in subdivision 3, clauses (1) and (2). For purposes of determining the amount of any such loss that may be carried to later taxable years, the lesser of the amounts referred to in subdivision 3, clauses (1) and (2) shall be treated as taxable income.

Sec. 33. [290.9728] [TAX ON CAPITAL GAINS.]

Subdivision 1. [TAX IMPOSED.] There is imposed a tax on the taxable income of a corporation that has:

(1) elected S corporation status pursuant to section 1362 of the Internal Revenue Code of 1954, as amended through December 31, 1987, before January 1, 1987;

(2) a net capital gain for the taxable year (1) in excess of \$25,000 and (2) exceeding 50 percent of the corporation's federal taxable income for the taxable year; and

(3) federal taxable income for the taxable year exceeding \$25,000.

The tax is imposed at the rate prescribed by section 290.06, subdivision 1. For purposes of this section, "federal taxable income" means federal taxable income determined under section 1374(4)(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This section does not apply to an S corporation which has had an election in effect under section 1362 of the Internal Revenue Code for the three immediately preceding taxable years.

This section does not apply to an S corporation that has been in existence for less than four taxable years and has had an election in effect under section 1362 of the Internal Revenue Code for each of the corporation's taxable years. For purposes of this section, an S corporation and any predecessor corporation are treated as one corporation.

Subd. 2. [TAXABLE INCOME.] For purposes of this section, taxable income means the lesser of:

(1) the amount of the net capital gain of the S corporation for the taxable year, as determined under sections 1222 and 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1987, and subject to the modifications provided in section 290.01, subdivisions 19e and 19f, in excess of \$25,000 that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Sec. 34. [290.9729] [TAX ON PASSIVE INVESTMENT INCOME.]

Subdivision 1. [TAX IMPOSED.] There is imposed a tax for the taxable year on the taxable income of an S corporation, if for the taxable year an S corporation has:

(1) subchapter C earnings and profits at the close of such taxable year; and

(2) gross receipts more than 25 percent of which are passive investment income.

The tax is imposed at the rate prescribed by section 290.06, subdivision 1. The terms "subchapter C earnings and profits," "passive investment income," and "gross receipts" have the same meanings as when used in sections 1362(d)(3) and 1375 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Subd. 2. [TAXABLE INCOME.] For the purposes of this section, taxable income means the lesser of:

(1) the amount of the S corporation's excess net passive income, as determined under section 1375 of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Subd. 3. [WAIVER OF TAX.] The tax imposed by this section shall be waived if the taxpayer receives a waiver for federal income tax purposes under section 1375(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 35. [298.402] [NET OPERATING LOSSES.]

For purposes of the computation under section 298.40, subdivision 1, clause (b), a net operating loss incurred in a taxable year beginning after December 31, 1986, is a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss, in accordance with section 290.095. A net operating loss incurred in a taxable year beginning after December 31, 1981, and before January 1, 1987, is a net operating loss carryover to taxable years beginning after December 31, 1986, not to exceed the five taxable years following the taxable year of the loss, in accordance with section 290.095. No net operating loss carryback is allowed for a net operating loss incurred in a taxable year beginning after December 31, 1986.

Sec. 36. Minnesota Statutes 1987 Supplement, section 299.01, subdivision 1, is amended to read:

Subdivision 1. There shall be levied and collected upon all royalty received during each calendar year for permission to explore, mine, take out and remove iron ore or taconites from land in this state, a tax of 15 percent before January 1, 1986, a tax of 14.5 percent after December 31, 1985, and before January 1, 1987, and a tax of 14 percent after December 31, 1986.

Sec. 37. Minnesota Statutes 1986, section 303.03, is amended to read:

303.03 [FOREIGN CORPORATIONS MUST HAVE CERTIFICATE OF AUTHORITY.]

No foreign corporation shall transact business in this state unless it holds a certificate of authority so to do; and no foreign corporation whose certificate of authority has been revoked or canceled pursuant to the provisions of this chapter shall be entitled to obtain a certificate of authority except in accordance with the provisions of section 303.19. This section does not establish standards for those

activities that may subject a foreign corporation to taxation under section 290.015 or to file a business activities report under section 290.371. Without excluding other activities which may not constitute transacting business in this state, and subject to the provisions of sections 303.13 and 543.19, a foreign corporation shall not be considered to be transacting business in this state for the purposes of this chapter solely by reason of carrying on in this state any one or more of the following activities:

(a) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes;

(b) Holding meetings of its directors or shareholders or carrying on other activities concerning its internal affairs;

(c) Maintaining bank accounts;

(d) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(e) Holding title to and managing real or personal property, or any interest therein, situated in this state, as executor of the will or administrator of the estate of any decedent, as trustee of any trust, or as guardian or conservator of the person or estate, or both, of any person;

(f) Making, participating in, or investing in loans or creating, as borrower or lender, or otherwise acquiring indebtedness or mortgages or other security interests in real or personal property;

(g) Securing or collecting its debts or enforcing any rights in property securing them; or

(h) Conducting an isolated transaction completed within a period of 30 days and not in the course of a number of repeated transactions of like nature.

Sec. 38. [REPEALER.]

(a) Minnesota Statutes 1986, section 298.401, is repealed.

(b) Minnesota Statutes 1986, section 299.013, is repealed.

(c) Minnesota Statutes 1987 Supplement, section 290.371, subdivision 2, is repealed.

Sec. 39. [EFFECTIVE DATES.]

Sections 1, 11, 16, 20, 23, and 24, are effective for taxable years beginning after December 31, 1987. Sections 2 and 37 are effective the day following final enactment. Sections 3 to 10, 12, 13, 15, 17, 21, 22, 25 to 34, and 38, paragraph (c) are effective for taxable years beginning after December 31, 1986. Section 14 is effective for taxable years beginning after December 31, 1986, except that the part relating to the apportionment of the exemption amount among members of a unitary group is effective for taxable years beginning after December 31, 1987. Section 18 is effective for taxable years beginning after December 31, 1986, except that the part relating to the allowance of a net operating loss for any taxable year to the extent of the apportionment ratio of the loss year is effective for taxable years beginning after December 31, 1987. Section 19 is effective for losses incurred in taxable years beginning after December 31, 1987, and is repealed effective for taxable years beginning after December 31, 1993. Section 35 is effective for ores mined after December 31, 1986, and before January 1, 1990. Section 36 is effective for ores mined after December 31, 1986. Section 38, paragraph (a), is effective for ores mined after December 31, 1989. Section 38, paragraph (b), is effective for ores mined after December 31, 1986, and supersedes the repealer in Laws 1987, chapter 268, article 9, section 43.

ARTICLE 3

FEDERAL UPDATE

Section 1. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 4, is amended to read:

Subd. 4. [CORPORATIONS.] The term "corporation" shall include every entity which is a corporation under section 7701(a)(3) or is treated as a corporation under section 851(q) or 7704 of the Internal Revenue Code of 1986, as amended through December 31, 1986 1987, and financial institutions. A corporation's franchise is its authorization to exist and conduct business, whether created by legislation, by executive order, by a governmental agency, by contract or other private action, or by some combination thereof. Every corporation is deemed to have a corporate franchise. An entity described in section 646(b) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be classified in the same manner for purposes of this chapter as it is for federal income tax purposes.

Sec. 2. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this

subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19f mean the code in effect for purposes of determining net income for the applicable year.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] ~~For tax years beginning after December 31, 1986, The term "gross income" means the gross income as defined in section 61 of the Internal Revenue Code of 1986, as amended through the date named in subdivision 19 for the applicable taxable year, plus any additional items of income taxable under this chapter but not taxable under the Internal Revenue Code, less any items included in federal gross income but of a character exempt from state income tax under the laws of the United States. For tax years beginning before January 1, 1987, except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.~~

~~For tax years beginning before January 1, 1987, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in Minnesota Statutes 1986, section 290.01, subdivisions 20a to 20f. For estates and trusts the adjusted gross income for purposes of the preceding sentence shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended~~

through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in Minnesota Statutes 1986, section 290.01, subdivisions 20a to 20f.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. The provisions of sections 205(a), 214 to 222, 231, 232, 236, 247, 251, 252, 253, 265, 266, 285, 288, and 335 of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law Number 97-248, section 6(b)(2) and (3) of the Subchapter S Revision Act of 1982, Public Law Number 97-354, section 517 of Public Law Number 97-424, sections 101(e) and (d), 102(a), (a), (f)(4), (g), (j), (l), 103(e), 104(b)(3), 105, 305(d), 306(a)(9) of Public Law Number 97-448, sections 101 and 102 of Public Law Number 97-473, and section 243 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes. The Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that it becomes effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through January 15, 1983, shall be in effect for taxable years beginning after December 31, 1982. The provisions of sections 905, 1708, and 1879(m) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1983, shall be in effect for taxable years beginning after December 31, 1983. The provisions of sections 13, 17, 25(b), 31, 32, 41 to 43, 52, 55, 56, 71 to 74, 77, 81, 82, 91, 92, 94, 101 to 103, 105 to 108, 111 to 113, 147(c), 171, 172, 174, 175, 179(a), 221, 223, 224, 421(b), 432, 481, 491, 512, 522 to 524, 554 to 557, 561, 611(a), 621 to 623, 626 to 628, 711(e), 712(d), 713(b), (e), (g), and (h), 721(a), (b), (d), (g), (i), (o), (p), (r), (t), and (w), 722(c), 1001, 1026, 1061 to 1064, 1066, 1076, 1078, and 2638(b) of the Deficit Reduction Act of 1984, Public Law Number 98-369, section 1 of Public Law Number 98-611, and sections 1801, 1802, 1805 to 1809, 1812, 1842, 1853 to 1855, 1866, 1869 to 1873, 1875, and 1878(g) and (h) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through May 25, 1985, shall be in effect for taxable years beginning after December 31, 1984. The provisions of sections 101, 102, 103, 201, and 202 of Public Law Number 99-121 and sections 402, 403, 1803, 1804, 1852, and 1861 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1985, shall be in effect for taxable years beginning after December 31, 1985.

The provisions of sections 121 to 123, 201, 202, 241, 401, 405, 411 to 413, 653, 654, 804, 811, 822, 1001, 1003, 1122, 1162, 1164, 1166, 1301, 1401, 1402, 1707, 1826, 1827, 1843, 1867, 1868, 1879(f), and 1895 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20e, and 20f mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 3, is amended to read:

Subd. 3. [CARRYOVER.] (a) A net operating loss for any taxable year shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of such loss.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the taxable years to which such loss may be carried.

(c) Where a corporation does business both within and without Minnesota, and apports its income under the provisions of section 290.191, the net operating loss deduction shall be allowed to the extent of the apportionment ratio of the loss year.

(d) No additional net operating loss deduction is allowed in a subsequent taxable year for the portion of a net operating loss deduction used to offset Minnesota income in a year in which the taxpayer is subject to the alternative minimum tax in section 290.092.

(e) The provisions of sections 381, 382, and 384 of the Internal Revenue Code of 1986, as amended through December 31, 1987, apply to carryovers in certain corporate acquisitions and special limitations on net operating loss carryovers.

Sec. 5. Minnesota Statutes 1986, section 290.931, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS OF DECLARATION.] Every

corporation subject to taxation under this chapter (excluding section 290.92) shall make a declaration of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed ~~\$1,000~~ \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted by rules prescribed under section 290.37, subdivision 1.

Sec. 6. Minnesota Statutes 1986, section 290.934, subdivision 1, is amended to read:

Subdivision 1. [ADDITION TO THE TAX.] In case of any underpayment of estimated tax by a corporation, ~~except as provided in subdivision 4,~~ there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3).

Sec. 7. Minnesota Statutes 1987 Supplement, section 290.934, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 1, the amount of the underpayment shall be the excess of

(1) ~~the amount of tax shown on the return for the tax year or, if no return is filed, the tax for the tax year~~ required installment, over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Sec. 8. Minnesota Statutes 1986, section 290.934, subdivision 3, is amended to read:

Subd. 3. [PERIOD OF UNDERPAYMENT.] The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(1) The 15th day of the third month following the close of the taxable year.

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision 2(1) for such installment date credited against unpaid required installments in the order in which such installments are required to be paid.

Sec. 9. Minnesota Statutes 1986, section 290.934, is amended by adding a subdivision to read:

Subd. 3a. [REQUIRED INSTALLMENTS.] (1) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(2) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(a) 90 percent of the tax shown on the return for the taxable year, or if no return is filed 90 percent of the tax for such year; or

(b) 100 percent of the tax shown on the return of the corporation for the preceding taxable year providing such return was for a full 12-month period, did show a liability, and was filed by the corporation.

(3) Except for determining the first required installment for any taxable year, paragraph (2), clause (b) does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (2), clause (b) must be recaptured by increasing the next required installment by the amount of the reduction.

(4) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (1), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.

(5) The "annualized income installment" is the excess, if any, of:

(a) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over;

(b) the aggregate amount of any prior required installments for the taxable year.

(c) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (a).

(d) The "applicable percentage" used in clause (a) is:

<u>In the case of the following</u> <u>required installments:</u>	<u>The applicable</u> <u>percentage is:</u>
<u>1st</u>	<u>22.5</u>
<u>2nd</u>	<u>45</u>
<u>3rd</u>	<u>67.5</u>
<u>4th</u>	<u>90</u>

(6)(a) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for all months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for all months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and all months during the taxable year preceding the filing month.

(b) For purposes of this paragraph:

(i) the "base period percentage" for any period of months is the average percent which the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph shall only apply if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(c) In the case of a required installment, determined under this paragraph, if the corporation determines that the installment is less than the amount determined in paragraph (1), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 15, is amended to read:

Subd. 15. [INTERNAL REVENUE CODE.] "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987.

Sec. 11. [REPEALER.]

Minnesota Statutes 1986, sections 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended by Laws 1987, chapter 268, article 1, section 64; 290.131, as amended by Laws 1987, chapter 268, article 1, section 65; 290.132, as amended by Laws 1987, chapter 268, article 1, section 66; 290.133, as amended by Laws 1987, chapter 268, article 1, section 67; 290.134, as amended by Laws 1987, chapter 268, article 1, section 68; 290.135, as amended by Laws 1987, chapter 268, article 1, section 69; 290.136, as amended by Laws 1987, chapter 268, article 1, section 70; 290.138, as amended by Laws 1987, chapter 268, article 1, section 71; and 290.934, subdivision 4; and Minnesota Statutes 1987 Supplement, section 290.14, is repealed.

Sec. 12. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1987" for the phrase "Internal Revenue Code of 1986, as amended through December 31, 1986"

whenever that phrase occurs in chapter 290, except section 290.01, subdivision 19, and chapter 291.

Sec. 13. [EFFECTIVE DATES.]

Section 4 is effective for taxable years beginning after December 31, 1986. The repeal in section 11 of Minnesota Statutes 1986, section 290.07, subdivisions 3 and 6, are effective for taxable years beginning after December 31, 1986. The remainder of section 11 is effective for taxable years beginning after December 31, 1987. Except as provided in section 2, all other sections of this article are effective for taxable years beginning after December 31, 1987.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) the greater of federal adjusted gross income as defined in the Internal Revenue Code or zero; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (1) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) ~~the ordinary income portion of~~ a lump sum distribution under section 402(e)(3) of the Internal Revenue Code; ~~and~~

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) nontaxable scholarship or fellowship grants.

In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; ~~or~~

(e) child support payments received under a temporary or final decree of dissolution or legal separation; or

(f) an amount of household income equal to (1) the number of the claimant's dependents multiplied by the federal exemption amount under section 151(d) of the Internal Revenue Code of 1986, as

amended through December 31, 1987; and (2) the federal exemption amount if the claimant or the claimant's spouse was disabled or attained the age of 65 prior to June 1 of the year following the year for which the taxes were levied or in which the rent was paid. The federal exemption amount is the exemption amount in effect for the taxable year for which the income is reported.

Sec. 2. Minnesota Statutes 1986, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is under 18 years of age at the end of the calendar year who receives more than 50 percent of support from the claimant, or who is between 18 and 21 years of age and is a full time student who receives more than 50 percent of support from the claimant considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1987. "Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead. "Dependent" includes a person over 18 years of age who lives in the claimant's homestead and who receives more than 50 percent of support from the claimant.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made under sections 273.1323 and 273.1324, but after deductions made pursuant to under sections 273.132, 273.135, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 274.19, subdivision 8, "property taxes payable" shall also include the amount of the gross rent paid in the preceding year for the site on which the homestead is located, which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on

the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivision 22 or 23 on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 14, is amended to read:

Subd. 14. [NET TAX.] "Net tax" means

(a) the property tax, exclusive of special assessments, interest, and penalties, and after reduction for any state paid property tax credits as required in subdivision 13 except for the reduction under sections 273.1323 and 273.1324, or

(b) the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes,

for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax reduced by the percentage that the nonrental use comprises of the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

Sec. 5. Minnesota Statutes 1987 Supplement, section 290A.04, subdivision 2, is amended to read:

Subd. 2. A claimant who is disabled or has attained the age of 65 by June 1 of the year in which a refund is payable or who, on the federal tax return filed for the prior year, claimed a personal exemption for a dependent pursuant to section 151 of the Internal Revenue Code, and whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable or rent constituting property taxes. The state refund will be equal to the amount of property taxes payable or rent constituting property taxes that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to 999	1.0 percent	10 percent	\$1,100
1,000 to 1,999	1.0 percent	10 <u>11</u> percent	\$1,100
2,000 to 2,999	1.0 percent	10 <u>12</u> percent	\$1,100
3,000 to 3,499	1.0 percent	11 <u>13</u> percent	\$1,100
3,500 to 3,999	1.0 percent	11 <u>13</u> percent	\$1,100
4,000 to 4,499	1.0 percent	11 <u>14</u> percent	\$1,100
4,500 to 4,999	1.0 percent	12 <u>14</u> percent	\$1,100
5,000 to 5,999	1.0 percent	12 <u>15</u> percent	\$1,100
6,000 to 6,999	1.1 percent	12 <u>16</u> percent	\$1,100
7,000 to 7,999	1.1 percent	13 <u>17</u> percent	\$1,100
8,000 to 8,999	1.2 percent	13 <u>18</u> percent	\$1,100
9,000 to 9,999	1.2 percent	13 <u>19</u> percent	\$1,100
10,000 to 10,999	1.3 percent	14 <u>20</u> percent	\$1,075
11,000 to 11,999	1.4 percent	14 <u>22</u> percent	\$1,075
12,000 to 12,999	1.5 percent	14 <u>24</u> percent	\$1,075
13,000 to 13,999	1.5 percent	15 <u>26</u> percent	\$1,075
14,000 to 14,999	1.5 percent	16 <u>28</u> percent	\$1,075
15,000 to 15,999	1.6 percent	17 <u>30</u> percent	\$1,075
16,000 to 16,999	1.7 percent	18 <u>32</u> percent	\$1,075
17,000 to 17,999	1.8 percent	19 <u>34</u> percent	\$1,050
18,000 to 18,999	1.9 percent	20 <u>36</u> percent	\$1,050
19,000 to 19,999	2.0 percent	22 <u>38</u> percent	\$1,050
20,000 to 20,999	2.1 percent	24 <u>40</u> percent	\$1,050
21,000 to 21,999	2.2 percent	26 <u>42</u> percent	\$1,050

22,000 to 22,999	2.2 percent	28 <u>44</u> percent	\$1,050
23,000 to 23,999	2.2 percent	30 <u>46</u> percent	\$1,025
24,000 to 24,999	2.3 percent	32 <u>48</u> percent	\$1,025
25,000 to 25,999	2.3 percent	34 <u>50</u> percent	\$1,025
26,000 to 26,999	2.3 percent	36 <u>52</u> percent	\$1,025
27,000 to 27,999	2.4 percent	38 <u>54</u> percent	\$1,000
28,000 to 28,999	2.4 percent	40 <u>56</u> percent	\$ 900
29,000 to 29,999	2.4 percent	42 <u>58</u> percent	\$ 800
30,000 to 30,999	2.4 percent	44 <u>60</u> percent	\$ 700
31,000 to 31,999	2.5 percent	46 <u>60</u> percent	\$ 600
32,000 to 32,999	2.5 percent	48 <u>60</u> percent	\$ 500
33,000 to 33,999	2.5 percent	50 <u>60</u> percent	\$ 300
34,000 to 34,999	2.5 percent	50 <u>60</u> percent	\$ 100

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision less the homestead credit under section 273.1323, or 273.1324 and the alternative homestead credit under section 273.1326. No payment is allowed if the claimant's household income is \$35,000 or more.

Sec. 6. Minnesota Statutes 1987 Supplement, section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING; INCOME TAX RETURN.]

Any claim for a refund based on property taxes payable shall be filed with the department of revenue on or before August 15 of the year in which the property taxes are due and payable. A copy of the claimant's federal income tax return for the taxable year preceding the year in which the property taxes are payable must be filed with the claim if the claimant filed a federal income tax return for that year.

Any claim for rent constituting property taxes shall be filed with the department of revenue on or before August 15 of the year following the year in which the rent was paid. A copy of the claimant's federal income tax return for the taxable year in which the rent was paid must be filed with the claim if the claimant filed a federal income tax return for that year.

The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in the commissioner's judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be canceled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in the commissioner's judgment other good cause exists. In any event no claim shall be allowed if the initial claim is filed one year after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56 and for purposes of computing the time limit as provided in these sections the due date of the property tax refund return shall be the same as the due date contained in section 290.42 for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

Sec. 7. [290A.24] [FINANCIAL REPORTING.]

For financial reporting and accounting purposes and for purposes of the state budget, the refunds paid under this chapter must be recognized and accounted for as an adjustment in the total amount of withholding tax paid under section 290.92, and declarations of estimated tax under section 290.93.

Sec. 8. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 290A.04, subdivision 2a, is repealed.

Sec. 9. [EFFECTIVE DATES.]

Sections 1, 3 to 5, and 8 are effective for claims based on rent paid in 1988 and subsequent years and claims based on property taxes payable in 1989 and subsequent years. Section 6 is effective for claims based on rent paid in 1987 and subsequent years and claims based on property taxes payable in 1988 and subsequent years.

ARTICLE 5

PROPERTY TAX REFORM AND TRUTH IN TAXATION

Section 1. Minnesota Statutes 1987 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in

subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) foundation aid as defined in section 124A.01;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) gifted and talented aid authorized in section 124.247;
- (f) aid for pupils of limited English proficiency authorized in section 124.273;
- (g) aid for chemical use programs authorized in section 124.246;
- (h) interdistrict cooperation aid authorized in section 124.272;
- (i) summer program aid authorized in section 124A.033;
- (j) transportation aid authorized in section 124.225;
- (k) community education programs aid authorized in section 124.271;
- (l) adult education aid authorized in section 124.26;
- (m) early childhood family education aid authorized in section 124.2711;
- (n) capital expenditure equalization aid authorized in section 124.245;
- (o) homestead credit ~~replacement~~ aid authorized in ~~section 273.1394~~ sections 273.1322 and 273.1324;
- (p) agricultural credit ~~replacement~~ aid authorized in section ~~273.1395~~ 273.132;
- (q) attached machinery aid authorized in section 273.138, subdivision 3; and
- (r) teacher retirement and F.I.C.A. aid authorized in sections 124.2162 and 124.2163.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124A.02, subdivision 11, is amended to read:

Subd. 11. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) ~~the amount of the district's homestead credit replacement aid paid under section 273.1394 and its agricultural credit replacement aid under section 273.1395~~ 273.132 for that school year, ~~after any positive tax base adjustment but prior to any negative tax base adjustment under section 273.1396;~~

(2) the amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in sections 273.1322 and 273.1324;

(3) the amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135;

(4) the amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

~~(3)~~ (5) the amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

~~(4)~~ (6) the amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.

Sec. 3. Minnesota Statutes 1987 Supplement, section 272.115, subdivision 4, is amended to read:

Subd. 4. No real estate sold on or after January 1, 1978, for which a certificate of value is required ~~pursuant to~~ under subdivision 1 shall receive the homestead ~~value exemption amount or credit under sections 273.1323 and 273.1324,~~ the agricultural exemption amount computed in credit under section 275.081 273.132, or the taconite homestead credit provided in sections 273.134 to 273.136, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale of the property.

Sec. 4. [273.1196] [STATE COMMERCIAL-INDUSTRIAL AND APARTMENT TAX RELIEF CREDITS.]

Subdivision 1. [STATE PAID CREDIT.] For property taxes payable in 1989 and subsequent years, commercial-industrial property and that portion of class 4 constituting apartment property may be eligible for a state paid commercial-industrial and apartment tax relief credit as provided in this section.

Subd. 2. [CLASS 3A COMMERCIAL-INDUSTRIAL CREDIT.] In the case of class 3a commercial-industrial property, the property is eligible for a credit if the current year's property taxes on the first \$100,000 market value of the property exceed two percent of the market value for the previous year's assessment. The credit is equal to 50 percent of the property tax amount which is in excess of two percent of market value. Only the first \$100,000 of market value of a qualifying parcel and the taxes attributable to the first \$100,000 of market value are eligible for the computation of this credit. Only a parcel that qualifies for the 60 percent assessment ratio contained in section 273.13, subdivision 24, paragraph (a), qualifies for the credit provided in this subdivision. Only the market value and property tax attributable to the part of the parcel that is class 3a must be used in computing the credit.

Subd. 3. [ADDITIONAL COMMERCIAL-INDUSTRIAL CREDIT.] Commercial-industrial property is eligible for an additional credit if the current year's property taxes on the total market value of the property exceed five percent of the market value for the previous year's assessment. The credit is equal to 50 percent of the net property tax amount which is in excess of five percent of market value. For purposes of this subdivision, "net property taxes" is after the reduction of the credit provided in subdivision 2. Only the market value and property tax attributable to the part of the parcel which is classified as commercial and industrial must be used in computing the credit.

Subd. 4. [CLASS 4 APARTMENTS.] In the case of class 4 apartment property containing four or more units, the property is eligible for a credit if the current year's property taxes on the first \$100,000 market value of the property exceed three percent of the market value for the previous assessment year. The credit is equal to 50 percent of the property tax amount which is in excess of three percent of market value. Only the first \$100,000 of market value of a qualifying parcel and the taxes attributable to the first \$100,000 of market value are eligible for the computation of this credit. Only the market value and property tax attributable to that portion of the class 4 parcel that is apartment property qualifies for the credit provided in this section.

Subd. 5. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioners of revenue and education the amount necessary to replace the revenue lost to local units of government and school districts as a result of the reduction in property taxes provided in this section. The payment amounts must be determined and the installments paid under the provisions of sections 273.1325 and 273.1392.

Sec. 5. Minnesota Statutes 1987 Supplement, section 273.123, subdivision 4, is amended to read:

Subd. 4. [STATE REIMBURSEMENT.] The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 2 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January 2 assessed value and the tax actually payable based on the reassessed value determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions containing the property at the time distributions are made pursuant to under section ~~273.1394~~ 273.1325, in the same proportion that the ad valorem tax is distributed.

Sec. 6. Minnesota Statutes 1987 Supplement, section 273.123, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. Payment shall be made pursuant to under section ~~273.1394~~ 273.1325. For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.

Sec. 7. Minnesota Statutes 1987 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 1 or class 2a or the value of the first tier of assessment percentages provided under section 273.13, subdivision 22, or 23, paragraph (a) is entitled to assessment as a homestead under section 273.13, subdivision 22 or 23, and the homestead exemption under section ~~275.081~~, subdivision 2. The limitation in this subdivision does not apply to buildings containing fewer than four residential units 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 under sections 273.1323 and 273.1324, 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.

Sec. 8. Minnesota Statutes 1987 Supplement, section 273.124, subdivision 13, is amended 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 or taxpayer identification number. If the social security or taxpayer identification 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 or taxpayer identification 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 benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the ~~tax reduction resulting from the homestead exemption amount provided under section 275.081 credit, taconite homestead credit, supplemental homestead credit, and the tax reduction resulting from the agricultural exemption amount provided in section 275.081 credit~~ which is in excess of the credit which would be allowed if the property had been classified as nonhomestead property. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The 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. 9. Laws 1987, chapter 268, article 6, section 19, is amended to read:

Sec. 19. Minnesota Statutes 1986, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] Except as provided in subdivision 23, (a) real estate which is residential and used for homestead purposes is class 1. The market value of class 1 property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1 property must be assessed at 37 percent of its market value. The homestead value of class 1 property that exceeds \$68,000 must be assessed at 60 percent of its value.

(b) Except for homesteads specified under section 273.1326, the tax to be paid on the first \$80,000 of market value of class 1 property, less any reduction received under sections 273.123 and 473H.10, shall be reduced by the amount of homestead credit determined under section 273.1323.

Sec. 10. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land

that is homesteaded, together with the house and garage. The first \$66,000 of market value of an agricultural homestead is valued at 30 percent. The remaining value of class 2a property is assessed at 40 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

The tax to be paid on class 2a property, less any reduction received pursuant to sections 273.123, 273.132, and 473H.10 shall be reduced by 52 percent of the tax. The amount of the reduction shall not exceed \$700 the amount of homestead credit determined under section 273.1324.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property is assessed at 40 percent of market value.

Agricultural land as used in this section shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 11. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Except as provided in paragraph (c), commercial and industrial, and utility property is class 3a. It is assessed at 60 percent of the first \$80,000 of market value and 96 percent of the market value over \$80,000. In the case of state-assessed commercial or, industrial, or utility property owned by one person or entity, only one parcel may qualify for the 60 percent assessment. In the case of other commercial or, industrial, or utility property owned by one person or entity, only one parcel in each county may qualify for the 60 percent assessment.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and shall be valued and assessed at 45 percent of the first \$50,000 of market value and 50 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the first \$80,000 of market value shall be valued and assessed at 60 percent and the remainder shall be assessed and valued at 86 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body, for the receipt of tax reductions authorized by section 469.171, subdivision 1.

(c) "Class 3c" is tools, implements, and machinery of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings. Class 3c property is assessed at 77 percent of the highest assessment percentage applying to class 3a property.

Sec. 12. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property is assessed at 70 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, recreational, and homesteads;

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision; and

(4) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4b property is assessed at 60 percent for taxes levied in 1988, payable in 1989 and thereafter.

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter.

For all properties described in clauses (1) and (2) and in paragraph (d), clause (2), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

(3) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned

by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(4) except as provided in paragraph (d), clause (1), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for the use. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property also includes the remainder of class 4d resorts; and

(5) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1986. For

purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property is assessed at 50 percent.

(d) Class 4d property includes:

(1) 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. The area of the property that is classified as class 4d 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; and

(2) any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property must be assessed under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The 30 percent and 50 percent assessment ratios apply to the properties described in paragraph (c), clauses (1) and (2) and this clause, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is

located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity; and

Class 4d property is assessed at 30 percent of market value.

~~(3)~~ (e) Class 4e property includes: the first \$34,000 of market value of real estate or manufactured homes used for the purposes of a homestead by

(i) (1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(ii) (2) any person, hereinafter referred to as "veteran," who:

(A) (i) served in the active military or naval service of the United States; and

~~(B)~~ (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

~~(C)~~ (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 a homestead; or

~~(iii)~~ (3) any person who:

(A) (i) is permanently and totally disabled and

~~(B)~~ (ii) receives ~~90~~ 85 percent or more of total income from

(1) (A) aid from any state as a result of that disability; or

(2) (B) supplemental security income for the disabled; or

(3) (C) workers' compensation based on a finding of total and permanent disability; or

(4) (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

(5) (E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(6) (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 this clause only if the commissioner of ~~human services~~ revenue 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.~~

The remaining value of class ~~4(d)(3)~~ 4e property in excess of \$34,000 shall be valued and assessed under subdivision 22 or 23, as appropriate, provided that only the value in excess of \$34,000 but not in excess of \$68,000 is assessed at the rate provided for the first tier of value in subdivision 22 or only the value in excess of \$34,000 but not in excess of \$66,000 is assessed at the rate provided for the first tier of value in subdivision 23.

Class 4d 4e property is assessed at ~~30~~ 10 percent of market value.

Sec. 13. Minnesota Statutes 1986, section 273.13, is amended by adding a subdivision to read:

Subd. 32. [VACANT LAND.] Real property that is not improved with a structure and that is not used as part of a commercial or industrial activity shall be classified and assessed according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified and assessed according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the vacant land based upon the use made of surrounding land or land in proximity to the vacant land.

Sec. 14. [273.132] [STATE AGRICULTURAL CREDIT.]

Subdivision 1. [AGRICULTURAL HOMESTEAD PROPERTY.] The county auditor shall reduce the tax on all property receiving the homestead credit under section 273.1324, by an amount equal to 36 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling.

Subd. 2. [OTHER AGRICULTURAL PROPERTY.] The county auditor shall reduce the tax on all other agricultural lands classified under section 273.13, subdivision 23, including buildings and structures thereon but excluding all dwellings and an acre of land for each dwelling, and on timber land classified under section 273.13,

subdivision 23, paragraph (b) by an amount equal to 26 percent of the tax levy imposed on the property. The tax on timber land classified under section 273.13, subdivision 23 shall be reduced by an amount equal to 26 percent of the tax levy imposed on the property.

Subd. 3. [SEASONAL RESIDENTIAL RECREATIONAL PROPERTY.] The tax on all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to 15 percent of the tax imposed on the property. The amount of the reduction provided under this subdivision which any taxpayer can receive shall not exceed \$100. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners.

Subd. 4. [ADMINISTRATION.] The amounts so computed by the county auditor 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 the certifications to determine their accuracy and may make changes in the certification as deemed necessary or return a certification to the county auditor for corrections. For purposes of computing the credit pursuant to this section, the "tax levy" shall be the tax levy reduced by the credits provided by sections 273.123, 273.42, subdivision 2, and 473H.10.

Subd. 5. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the commissioners of revenue and education the amounts necessary to make these payments in fiscal year 1990 and thereafter.

Sec. 15. [273.1321] [DEFINITIONS.]

For the purpose of sections 273.1322 to 273.1325, the following definitions are established:

(1) "commissioner" means the commissioner of revenue unless specified otherwise;

(2) "taxing jurisdiction" means a county, city, town, school district, or special taxing district; and

(3) "homestead credit base value" means the maximum homestead market value eligible to receive homestead credit. The homestead credit base market value shall be \$80,000 for taxes payable in 1989 and subsequent years.

Sec. 16. [273.1322] [RESIDENTIAL HOMESTEAD CREDIT AID; APPROPRIATION LIMITATION.]

Subdivision 1. [BASE AMOUNT.] There shall be computed for each taxing jurisdiction in 1989 and subsequent years a residential homestead credit base amount determined under this section.

Subd. 2. [BASE DETERMINATION.] (a) The commissioner shall determine each jurisdiction's homestead credit base equal to the amount of homestead credit that would have been paid in 1988 to each taxing jurisdiction under Minnesota Statutes 1986, section 273.13, subdivision 15a, on residential homesteads if the homestead credit provided in Minnesota Statutes 1986, section 273.13, subdivision 22, had been 53 percent of the tax imposed on the first \$80,000 of market value with no credit maximum.

(b) For taxes payable in 1989, the commissioner shall multiply the amount determined in paragraph (a) by a fraction, the numerator of which is the ratio of the total assessed value of the homestead credit base value of all residential homesteads in the taxing jurisdiction to the total assessed valuation of the taxing jurisdiction for taxes payable in 1988. The denominator of the fraction is the ratio of the total assessed value of the homestead credit base value of all residential homesteads in the taxing jurisdiction to the total assessed valuation of the taxing jurisdiction for taxes payable in 1987. In addition, the commissioner shall further multiply the amount by the ratio of the number of residential homesteads in the jurisdiction for taxes payable in 1988 to the number of residential homesteads in the jurisdiction for taxes payable in 1987.

(c) For taxes payable in 1990 and subsequent years, the commissioner shall multiply the amount determined under paragraph (b) for the previous year by a fraction, the numerator of which is the ratio of the total assessed value of the homestead credit base value for taxes payable the preceding year for all residential homesteads in the taxing jurisdiction to the total assessed valuation of the taxing jurisdiction. The denominator of the fraction is the ratio of the total assessed value of the homestead credit base value for all residential homesteads in the taxing jurisdiction to the total assessed valuation of the taxing jurisdiction for the year immediately preceding the preceding year. In addition, the commissioner shall further multiply the amount by the ratio of the number of residential homesteads in the jurisdiction for taxes payable in the preceding year to the number of residential homesteads in the jurisdiction for taxes payable in the year immediately preceding the preceding year.

Subd. 3. [LIMITATION.] For taxes payable in 1989, the total statewide homestead credit base amount shall not exceed \$631,000,000. The commissioner shall make proportionally equal adjustments to the amounts determined for all taxing jurisdictions under subdivision 2 so that their sum does not exceed the limitation.

The commissioner shall certify the adjusted amounts to the county auditors on or before October 10, 1988.

Sec. 17. [273.1323] [RESIDENTIAL HOMESTEAD CREDIT.]

Subdivision 1. [CREDIT REDUCTION MILL RATE.] For taxes payable in 1989 and subsequent years, each county auditor shall divide the residential homestead credit aid certified under section 273.1322, subdivision 3 for a taxing jurisdiction by the total current year assessed value of the homestead credit base value for all residential homesteads in the taxing jurisdiction. The resultant mill rate is the residential homestead credit reduction mill rate for the taxing jurisdiction.

Subd. 2. [TAX REDUCTION.] For taxes payable in 1989 and subsequent years, the tax on the homestead credit base value shall be reduced by the product obtained by multiplying the taxing jurisdiction's homestead credit reduction mill rate by the assessed value of the homestead credit base value of the parcel.

Subd. 3. [PROPERTY TAX STATEMENT.] Each property tax statement mailed under section 276.04 to a taxpayer whose property tax is reduced under subdivision 2 must contain a statement of the amount of the reduction in dollars and must identify the reduction as "state paid homestead credit."

Sec. 18. [273.1324] [AGRICULTURAL HOMESTEAD CREDIT.]

Subdivision 1. [CREDIT.] For taxes payable in 1989 and subsequent years, the agricultural homestead gross tax, less any reductions received under section 273.132, shall be reduced by 53 percent. The amount of the agricultural homestead credit reduction must not exceed \$700.

Subd. 2. [APPROPRIATION.] A sum sufficient to pay the agricultural homestead credit under subdivision 1 is annually appropriated from the general fund.

Subd. 3. [PROPERTY TAX STATEMENT.] Each property tax statement mailed under section 276.04 to a taxpayer whose property tax is reduced under subdivision 1 must contain a statement of the amount of the reduction in dollars and must identify the reduction as "state paid homestead credit."

Sec. 19. [273.1325] [GENERAL FUND; REPLACEMENT OF REVENUE.]

(a) Payment from the general fund shall be made, as provided in this section, for the purpose of replacing revenue lost as a result of

the reduction of property taxes provided in sections 273.1323 and 273.1324.

(b) Each county auditor shall certify, not later than April 1 of each year to the commissioner of revenue, the amount of reduction resulting from sections 273.1323 and 273.1324 in the auditor's county. The certification must 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 the certifications to determine their accuracy. The commissioner may make necessary changes in the certification or return a certification to the county auditor for corrections.

(c) Based on current year tax data reported in the abstract of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts determined in section 273.1324 and certified under paragraph (b). The commissioner of revenue shall pay to each taxing district, other than school districts, its total homestead credit payment for the year determined under section 273.1322 and this paragraph in equal installments on or before July 20 and December 15 of each year. The commissioner of education shall make payments to each school district in accordance with section 124.195, based on the commissioner of revenue's certification.

Sec. 20. [273.1326] [ALTERNATIVE HOMESTEAD CREDIT.]

Subdivision 1. [QUALIFYING PROPERTY.] Effective for taxes levied in 1988 payable in 1989 and subsequent years, class 1 homestead property which has an equalized market value of \$200,000 or greater shall not receive the homestead credit reduction under section 273.1323 but shall be eligible for an alternative homestead credit as provided in this section.

The commissioner of revenue shall determine the residential median sales ratio for each municipality using the methodology prescribed under section 124.2131. If the commissioner deems that there are an insufficient number of sales in the study to determine a valid residential sales ratio for a given municipality, that municipality's sales ratio for purposes of this section will be the median residential sales ratio for the county in which the municipality is located. The commissioner shall certify to the county assessor the appropriate sales ratios for each municipality for use in determining the equalized market value of the homestead property.

The county assessor shall provide a list to the county auditor of the homesteads in the county whose equalized market value is \$200,000 or greater. The auditor shall notify the owner of each of these homes that the taxpayer may be eligible to receive an

alternative homestead credit under this section. A copy of the alternative homestead credit form shall be included with the property's tax statement prescribed under section 276.04. No homestead credit shall be deducted from the gross tax of these homestead parcels.

The commissioner of revenue shall prescribe a form for the "alternative homestead credit" return and shall distribute sufficient copies to the counties. The form shall contain space for the taxpayer to include the taxpayer's household income as defined in section 290A.03, subdivision 5, and any other information which the commissioner deems necessary for use in making the determination. A copy of the current year's property tax statement for the homestead must be submitted to the commissioner with the alternative homestead credit return. Any claim for the alternative homestead credit shall be filed with the department of revenue by May 15 of the year in which the property taxes are due and payable. The filing time limit, late filing, and penalties provided in section 290A.06 apply to alternative homestead credit returns filed under this paragraph.

Subd. 2. [BIENNIAL STUDY OF RELATIONSHIP BETWEEN TAX BURDEN AND WEALTH.] Beginning in 1988 and every two years thereafter, the commissioner shall conduct a study describing the relationship between net property tax burden and wealth for all homeowners in the state. The relationship shall be expressed in terms of a simple regression equation, with net property tax burden as the dependent variable.

For purposes of this section, the following terms shall have these meanings:

(a) "net property tax burden" means the gross tax on homestead property, minus the homestead credit received under section 273.1323, minus any property tax refund received under chapter 290A, and minus the reduction in the taxpayer's federal and state income tax liability resulting from the deduction of the homestead's property tax in the computation of the taxpayer's taxable income.

(b) "wealth" means the sum of the equalized market value of the homestead divided by 2.5 and the taxpayer's household income as defined in section 290A.03, subdivision 5.

Subd. 3. [DETERMINATION OF ALTERNATIVE HOMESTEAD CREDIT.] For all eligible homeowners, an alternative homestead credit shall be computed according to the following formula:

Credit = Ci, when W is less than \$180,000, and

Credit = $C_i \times (1 - (((W - \$180,000)/\$100,000) \times (B_w/B)))$, where the symbols have the following meanings:

(a) "C_i" means the full amount of homestead credit that the homestead would have qualified to receive for that year if the homestead had been allowed to receive homestead credit under section 273.1323.

(b) "W" means the total wealth of the homestead, defined as the sum of the equalized market value of the homestead divided by 2.5, plus the taxpayer's household income for the year in which the property tax is levied.

(c) "B_w" means the average tax burden for a homestead with total wealth equal to the homestead's wealth, determined according to the relationship determined in subdivision 2.

(d) "B" means the net property tax burden for the homestead, which is defined as the gross property tax, minus the commissioner's estimate of the reduction in the taxpayer's federal and state income taxes resulting from the deduction for property taxes on the homestead, minus the amount of homestead credit received in the previous year under section 273.13, minus the amount of any property tax refund received in the previous year under chapter 290A.

Subd. 4. [PAYMENT.] Based on the commissioner's determination in subdivision 3, if the taxpayer qualifies for an alternative homestead credit under this section, the taxpayer shall receive full payment of the amount of the alternative homestead credit after July 1 but prior to July 15 or 60 days after receipt of the application, whichever is later.

Subd. 5. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the department of revenue the amount necessary to make these payments in fiscal year 1990 and thereafter.

Sec. 21. Minnesota Statutes 1987 Supplement, section 273.135, subdivision 2, is amended to read:

273.135 [HOMESTEAD PROPERTY TAX RELIEF.]

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c).

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c).

(c) The total maximum reduction of the net tax on property described in clause (a) is ~~\$490~~ \$253 for taxes payable in ~~1985~~ 1989. The total maximum reduction for the net tax on property described in clause (b) is ~~\$435~~ \$228 for taxes payable in ~~1985~~ 1989. These maximum amounts shall increase by ~~\$15~~ \$7.50 per year for taxes payable in ~~1986~~ 1990 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property before application of the credit payable under this section after deduction of any credit under sections 273.1323 and 273.1324.

Sec. 22. Minnesota Statutes 1987 Supplement, section 273.1391, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax, but not to exceed the maximums specified in clause (c).

(c) The total maximum reduction of the net tax is ~~\$435~~ \$228 for taxes payable in ~~1985~~ 1989. This total maximum amount shall increase by ~~\$15~~ \$7.50 per year for taxes payable in ~~1986~~ 1990 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property ~~before application of the credit under this section after deduction of any credit under sections 273.1323, and 273.1324.~~

Sec. 23. Minnesota Statutes 1987 Supplement, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of ~~small business transition homestead credit under section 273.1195~~ sections 273.1322 and 273.1324; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; ~~homestead credit replacement aid under section 273.1394~~; agricultural credit replacement aid under section ~~273.1395~~ 273.132; commercial-industrial and apartment tax relief credit under section 273.1196; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

Sec. 24. Minnesota Statutes 1987 Supplement, section 273.1393, is amended to read:

273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

(1) ~~small business property tax transition credit as provided in section 273.1195~~; commercial-industrial and apartment tax relief credit as provided in section 273.1196;

(2) disaster credit as provided in section 273.123;

(3) powerline credit as provided in section 273.42;

(4) agricultural preserves credit as provided in section 473H.10;

(5) enterprise zone credit as provided in section 469.171;

(6) agricultural credit as provided in section 273.132;

~~(6) (7) state paid homestead credit as provided in section 273.13, subdivision 23~~ sections 273.1323 and 273.1324;

~~(7) (8) taconite homestead credit as provided in section 273.135~~;

(8) (9) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 25. Minnesota Statutes 1987 Supplement, section 273.165, subdivision 2, is amended to read:

Subd. 2. [IRON ORE.] Unmined iron ore included in class 5 must be assessed with and as a part of the real estate in which it is located, but at the rate established in section 273.13, subdivision 30. The real estate in which iron ore is located, other than the ore, must be classified and assessed in accordance with the provisions of the appropriate classes. In assessing any tract or lot of real estate in which iron ore is known to exist, the assessable value of the ore exclusive of the land in which it is located, and the assessable value of the land exclusive of the ore must be determined and set down separately and the aggregate of the two must be assessed against the tract or lot.

Sec. 26. Minnesota Statutes 1987 Supplement, section 273.42, subdivision 2, is amended to read:

Subd. 2. Owners of land that is an agricultural or nonagricultural homestead, nonhomestead agricultural land, rental residential property, and both commercial and noncommercial seasonal residential recreational property, as those terms are defined in section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the city or township by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city or township pursuant to section 273.36. In the case of property owners in unorganized townships, the property tax credit shall be determined by multiplying a fraction, the numerator of which is the length of the qualifying high voltage transmission line which runs over the parcel and the denominator of which is the total length of the qualifying high voltage transmission line running over all property within all the unorganized townships within the county, by the total utility property tax credit fund amount available within the county for that year pursuant to subdivision 1. Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of credit for

which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit, provided that, if the property containing the right-of-way is included in a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is the sum of the number of acres in each quarter-quarter section or portion thereof which contains a right-of-way and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and transmit that information to the county treasurer. The county auditor, in computing the ~~credit~~ credits received pursuant to section ~~under sections 273.13 and 273.135~~, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

If, after the county auditor has computed the credit to those qualifying property owners in unorganized townships, there is money remaining in the utility property tax credit fund, then that excess amount in the fund shall be returned to the general school fund of the county.

Sec. 27. [275.065] [LEVY ADOPTION PROCEDURE; NOTICE TO TAXPAYERS.]

Subdivision 1. [PROPOSED LEVY.] On or before August 1, a home rule charter or statutory city shall adopt a proposed city budget and certify to the county auditor the proposed city property tax levy for taxes payable in the following year.

Subd. 2. [MILL RATE COMPUTATION.] (a) The county auditor shall compute a city mill rate that when applied to the taxable assessed value on January 2 of the current year of taxable property within the city, excluding new construction, additions to structures, or property added to or deleted from the assessment rolls since the previous year's assessment, will provide the city the same ad valorem tax levy as the city levied the previous year. This mill rate is the "no-increase mill rate."

(b) The county auditor shall compute a mill rate that when applied to the taxable assessed value on January 2 of the current year of all taxable property within the city, including new construction, additions to structures, or property added to or deleted from the assessment rolls since the previous year's assessment, will provide the proposed city ad valorem tax levy for taxes levied in the current year. This mill rate is the "proposed mill rate."

(c) The county auditor shall notify the city of its no-increase mill

rate and its proposed mill rate on or before August 8. The city may amend its proposed levy but must certify to the county auditor by August 15 its final proposed levy and the date the city will hold a public hearing to adopt its budget and property tax levy.

(d) The county auditor shall recompute the city's proposed mill rate to reflect any adjustments made by the city under paragraph (c), and notify the city of the proposed mill rate and the percent, if any, by which the recomputed proposed mill rate exceeds the no-increase mill rate. That percent is the percentage increase in property taxes proposed by the city.

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) If there is a percentage increase in property taxes proposed by the city, on or before September 15, the county auditor shall compute for each parcel of property on the assessment rolls the proposed city property tax for taxes levied in the current year. The tax shall be computed before the application of any property tax aids or credits. The county auditor shall prepare and deliver by first class mail to each taxpayer at the address listed on the city's current year's assessment roll, a notice of the taxpayer's proposed city property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

The notice must contain:

(1) A heading that states:

"NOTICE OF PROPOSED CITY PROPERTY TAXES

DO NOT PAY - THIS IS NOT A BILL";

(2) The name of the city and the date the city will hold a public hearing to adopt its budget and property tax levy;

(3) A statement that the purpose of the hearing is to receive opinions from the public and answer questions on the proposed budget and tax levy before adopting them, and that the city may change its proposed budget and tax levy at the hearing;

(4) In columnar form, the following information applicable to each parcel of property: the name of the city, the city mill rate and city property tax payable on the property for taxes payable in the current year before the application of any aids or credits, the proposed city mill rate and proposed city property tax payable on the property for taxes payable in the following year before the application of any aids or credits, the no-increase mill rate and the city tax

that would be payable on the property before application of any aids or credits if the no-increase mill rate is applied;

(5) An explanation of each of the columns. The explanation of the proposed tax must include a statement that the amount is based on a proposed budget which is not final and may be amended at the public hearing. The explanation must state that the application of the no-increase mill rate is applied to the current year's assessed value, and that the difference between the proposed tax and the no-increase tax is the result of a proposed levy change by the city and not the result of higher assessed values;

(6) The person and address to which written comments may be submitted if the taxpayer cannot attend the hearing; and

(7) A clear statement that the tax is proposed for taxes payable in the following year, that the tax is only the tax levied by the city, and that school districts, counties, and special taxing jurisdictions also levy property taxes.

(c) The city shall pay the county for the reasonable cost of the county auditor's services and for the costs of preparing and mailing the notice required in this section.

Subd. 4. [PUBLIC ADVERTISEMENT.] (a) On or before September 15, the city shall advertise in a qualified newspaper a notice of its intent to adopt a budget and property tax levy at a public hearing.

The advertisement must be no less than one-quarter page in size of a standard-size or a tabloid-size newspaper, and the headline in the advertisement shall be in a type no smaller than 18 point. The advertisement must not be placed in the part of the newspaper where legal notices and classified advertisements appear. The advertisement must be published in a newspaper of general paid circulation in the city. Whenever possible, the advertisement must appear in a newspaper that is published at least five days a week, unless the only newspaper in the city is published less than five days a week. The newspaper selected must be one of general interest and readership in the community, and not one of limited subject matter.

(b) If a city proposes a percentage increase in property taxes, the advertisement must be in the following form:

"NOTICE OF TAX INCREASE

The ... (name of city) ... has tentatively adopted a measure to increase its property tax levy by ... (percentage of increase over no-increase rate) ... percent.

All concerned citizens are invited to attend a public hearing on the tax increase to be held on ... (date and time) ... at ... (meeting place)

A FINAL DECISION on the proposed tax increase and the budget will be made at this hearing."

(c) If there is not a percentage increase in property taxes proposed by the city, the advertisement must be in the following form:

"NOTICE OF BUDGET HEARING

The ... (name of the city) ... has tentatively adopted a budget for ... (fiscal year) ... A public hearing to make a FINAL DECISION on the budget AND PROPERTY TAXES will be held on ... (date and time) ... at ... (meeting place)"

(d) The advertisement required in paragraph (b) or (c) must notify taxpayers that if they cannot attend the meeting, they may submit comments in writing to the city clerk by the date of the proposed hearing. The address to which the comments may be mailed must be given.

Subd. 5. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Prior to October 10, the governing body of the city shall hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year. The hearing must be held not less than two days or more than five days after the day the notice is first published.

At the hearing the city may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy. The property tax levy adopted may not exceed the final proposed levy determined under subdivision 2, paragraph (c).

At the hearing the percentage increase in property taxes proposed by the city, if any, and the specific purposes for which property tax revenues are being increased must be discussed. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body shall adopt its final property tax levy prior to adopting its final budget.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The school board and county board shall not schedule public meetings on days scheduled for the hearing by the governing body of the city.

If the hearing is recessed, the city shall publish a notice in a qualified newspaper of general paid circulation in the city. The notice must state the time and place for the continuation of the hearing and must be published at least two days but not more than five days prior to the date the hearing will be continued.

Subd. 6. [CERTIFICATION OF COMPLIANCE.] At the time the city certifies its tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance with this section. The certification must contain copies of the advertisement required under subdivision 4, the resolution adopting the final property tax levy under subdivision 5, and any other information required by the commissioner of revenue. If the commissioner determines that the city has failed to substantially comply with the requirements of this section, the commissioner of revenue shall notify the county auditor. When fixing rates under section 275.08 for a city that has not complied with this section, the county auditor must use the no-increase mill rate.

Sec. 28. Minnesota Statutes 1987 Supplement, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, home rule charter city or statutory city.

(b) "Governmental subdivision" also includes any city or town that receives a distribution from the taconite municipal aid account in the levy year.

Sec. 29. Minnesota Statutes 1987 Supplement, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] (1) Except as adjusted by paragraph (2), for taxes levied in 1988 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to Laws 1987, article 5, section 12, or subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or ~~three~~ five percent, whichever is ~~lesser~~ less;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to subdivision 6;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pur-

suant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued;

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2; and

(e) the for the taxes payable in 1989, an amount, if known, equal to the decrease in federal revenue sharing allotment from the levy year to the year in which the levy is payable; otherwise the amount equal to the decrease in federal revenue sharing allotment in the levy year as compared to the previous year if the levy base for the previous year has not been adjusted for a decrease in federal revenue sharing allotment greater of the governmental subdivision's 1984, 1985 or 1986 federal revenue sharing, minus any adjustments made under this clause for the taxes payable years 1986 and 1987, as determined by the commissioner of revenue. No further adjustments to the levy limit base of a governmental subdivision shall be made under this clause after the adjustment that is made for the taxes payable 1989 base.

(2) A city's adjusted levy limit base under paragraph (1) shall be increased if the sum of the city's previous year levy amount and its previous year local government aid amount received under chapter 477A, divided by its population, is less than 80 percent of the average per capita levy plus local government aid amount for all cities within its city category as defined in this paragraph. The addition to the levy limit base allowable under this paragraph will be equal to the dollar amount of increase computed under paragraph (1), clause (a), provided that when this additional amount and the amount computed under paragraph (1), clause (a) are added to the city's levy and local government aid, and divided by its population, the total amount cannot exceed 80 percent of the average per capita levy plus local government aid amount for the cities in its city category. "City categories," for purposes of this paragraph, are defined as follows:

(a) cities of the first class;

(b) cities, other than cities of the first class, with population over 1,000 which are located outside the metropolitan area;

(c) cities with population under 1,000 which are located outside the metropolitan area; and

(d) cities, other than cities of the first class, located within the metropolitan area.

Sec. 30. Minnesota Statutes 1987 Supplement, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

Subdivision 1. [AUDITOR TO PUBLISH RATES.] On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose.

Subd. 2. [REQUIREMENTS OF TAX STATEMENTS.] (a) The treasurer shall, ~~whether or not directed by the county board, cause to be have~~ printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district ~~shall~~ must be separately stated ~~but~~. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement ~~shall~~ must include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 273.132 as "state paid agricultural credit," the amount attributable to sections 273.1323 and 273.1324 as "state paid homestead credit," and the amount attributable to section 273.1196 as "state paid commercial-industrial and apartment tax relief." The statement must also show the decrease in tax attributable to that portion of the sum of the following aids attributable to the property as "state paid tax relief": (i) general education revenue under section 124A.23, and (ii) local government aid for cities, towns and counties under chapter 477A, including the county's income maintenance aid.

Subd. 3. [MAILING OF TAX STATEMENTS.] The county treasurer shall mail to taxpayers statements of their personal property

taxes due, such statements to be mailed not later than February 15 (except in the case of manufactured homes and sectional structures taxed as personal property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. The taxpayer is defined as the owner who is responsible for the payment of the tax. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to the decrease in tax under section 275.082 attributable to Minnesota Statutes 1986, section 124.2137 as "state paid agricultural credit amount" and the amount attributable to the decrease in tax under section 275.082 attributable to Minnesota Statutes 1986, section 273.13, subdivisions 22 and 23 as "state paid homestead credit amount." The statement must state the amount deducted under section 273.1195 and identify it as "state paid small business transition credit."

Subd. 4. [COLLECTION SITE.] If so directed by the county board, the treasurer shall visit places in the county as the treasurer deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 31. Minnesota Statutes 1987 Supplement, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the commissioner of education who shall compute the reduced tax levy, after adjustment for the homestead credit replacement aid paid pursuant to section 273.1394, the agricultural credit replacement aid paid pursuant to section 273.1395, and the tax base adjustment pursuant to section 273.1396. The commissioner of education shall certify the adjusted reduced tax levy to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following

July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 32. Minnesota Statutes 1986, section 477A.011, subdivision 11, is amended to read:

Subd. 11. EQUALIZED ADJUSTED ASSESSED VALUE. For any calendar year aid distribution, a municipality's or county's equalized adjusted assessed value means its previous year taxable valuation, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town municipality or county located within the metropolitan area and less the captured value in any tax increment district, divided by the municipality's or county's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. Adjusted assessed value shall be determined using the same methodology as for school districts under section 124.2131.

Sec. 33. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 18. [INCOME MAINTENANCE PROGRAMS.] "Income maintenance programs" means the following human service programs:

- (1) medical assistance under chapter 256B;
- (2) general assistance medical care under section 256D.03;
- (3) aid to families with dependent children and the emergency payment under sections 256.72 to 256.871;
- (4) general assistance under section 256D.03;
- (5) work readiness under section 256D.051; and
- (6) Minnesota supplemental aid under section 256D.37.

For purposes of this chapter, the cost of income maintenance

programs shall exclude the county's administrative costs associated with these programs.

Sec. 34. Minnesota Statutes 1987 Supplement, section 477A.012, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] In calendar year ~~1988~~ 1989 and calendar years thereafter, each county government shall receive a distribution equal to the total of (a) the aid amount certified for 1987 pursuant to this subdivision under this clause and (b) the county's income maintenance aid as determined in this subdivision. "Income maintenance aid" equals the county's unreimbursed local expenditures for income maintenance programs for the previous state fiscal year excluding any amounts for administration of the income maintenance programs, less the product of one and one-half mills times the county's adjusted assessed value. If this amount is less than zero, the county will receive no income maintenance aid under (b).

Subd. 2. [AID LIMITATION.] The total amounts available for distribution to counties under subdivision 1, clause (b), shall be \$17,800,000 for calendar year 1989. If the amount available for distribution is insufficient to make the aid payments to counties under subdivision 1, clause (b), the commissioner of revenue shall increase the number of mills used in determining the formula need so that there are sufficient funds to make the aid payments.

Sec. 35. [1987 ADJUSTED ASSESSED VALUES.]

The 1987 adjusted assessed values determined under section 124.2131, subdivision 1 shall be computed using the assessment classification ratios for property taxes payable in 1989 under Laws 1987, chapter 268, article 6.

Sec. 36. Laws 1987, chapter 268, article 6, section 53, is amended to read:

Sec. 53. [REPEALER.]

Minnesota Statutes 1986, sections ~~13-58~~; 124.2131, subdivision 4; 124.2137, 124.2139; ~~124A.031~~, subdivision 4; 273.112, subdivision 9; 273.115; 273.116; 273.13, subdivisions 26, 27, 28, and 29; and 273.1311; ~~273.1315~~; ~~273.135~~, subdivision 5; and ~~273.1391~~, subdivision 4, are repealed.

Sec. 37. [REPEALER.]

Minnesota Statutes 1986, section 273.13, subdivision 30; Minnesota Statutes 1987 Supplement, sections 273.13, subdivision 15a; ~~273.1394~~; ~~273.1395~~; ~~273.1396~~; ~~273.1397~~; ~~275.081~~; ~~275.082~~; ~~275.125~~,

subdivision 22; and 290A.04, subdivision 2b; and Laws 1987, chapter 268, article 5, section 4, are repealed.

Sec. 38. [REENACTMENT.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes, sections 13.58; 124A.031, subdivision 4; 273.1315; 273.135, subdivision 5; and 273.1391, subdivision 4, are reenacted and are effective as amended in this article for taxes levied in 1988 and thereafter, payable in 1989 and thereafter.

Sec. 39. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the references in Minnesota Statutes, sections 13.58 and 273.1315 from class "1b" to class "4e" wherever they appear in those sections.

The revisor of statutes shall change the reference in Minnesota Statutes, section 124A.031, subdivision 4, from "section 124.2137" to "section 273.132."

Sec. 40. [EFFECTIVE DATE.]

This article is effective for taxes levied in 1988 and thereafter, payable in 1989 and thereafter, except that section 27 is effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter.

ARTICLE 6

PROPERTY TAX TECHNICAL AND ADMINISTRATION

Section 1. Minnesota Statutes 1986, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than ~~November~~ December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the assessed valuation and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ten percent of the unpaid tax shall be assessed. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 2. Minnesota Statutes 1987 Supplement, section 270.485, is amended to read:

270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every county assessor and senior appraiser in the department of revenue's property tax review local government services division obtain senior accreditation from the state board of assessors. By January 1, ~~1989~~ 1990, or in the case of a county assessor within one year of the first appointment under section 273.061, whichever is later, every county assessor and senior appraiser, including the department's regional representatives, must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, ~~1989~~ 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, 1988 1989, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

Sec. 3. Minnesota Statutes 1987 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clause (1) or (2), or paragraph (d), clause (2);
- (7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d) shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use

except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydro-

electric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Property used as a transitional housing facility which pro-

vides temporary housing services, a continuous self sufficiency program, and other support services, if the organization that owns and sponsors the transitional housing facility is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 4. Minnesota Statutes 1987 Supplement, section 272.121, is amended to read:

272.121 [CURRENT TAX ON DIVIDED PARCELS.]

Subdivision 1. [CERTIFICATION OF PAYMENT.] Except as provided in subdivision 2, if a deed or other instrument conveys a parcel of land that is less than a whole parcel of land as described in the current tax list, the county auditor shall not transfer or divide the land in the auditor's official records, and the county recorder shall not file and record the instrument, unless the instrument of conveyance contains a certification by the county treasurer that the taxes due in the current tax year for the whole parcel have been paid. This certification is in addition to the certification for delinquent tax required by section 272.12.

Subd. 2. [EXCEPTIONS.] No certification of current tax paid is required when the land is being conveyed to the federal government, the state, or a home rule charter or statutory city or any other political subdivision for any sheriff's or referee's certificate of sale or other instrument if a certification of delinquent tax for the instrument is not required under section 272.12.

Sec. 5. Minnesota Statutes 1987 Supplement, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state. The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior

accreditation from the state board of assessors by January 1, 1989 1990, or within one year of the assessor's first appointment under this section, whichever is later.

Sec. 6. Minnesota Statutes 1986, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

(c) In the case of the first appointment under paragraph (a) of a county assessor who does not have senior accreditation, an approval of the appointment by the commissioner shall be for a term of one year. A county assessor appointed to a one-year term under this paragraph must reapply to the commissioner at the end of the one-year term. The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 7. Minnesota Statutes 1986, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferral under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or

firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 8. Minnesota Statutes 1986, 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 other written verification 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 other written verification that the bylaws or rules and regulations of the club meet the eligibility requirements provided under this section. The signed affidavit or other written verification shall be sufficient demonstration of eligibility for the assessor unless the county attorney determines otherwise.

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 388.051, subdivision 1. Upon request of the county attorney, the taxpayer shall furnish information that the county attorney considers necessary in order to determine eligibility under this section.

Real estate is not entitled to valuation and deferment under this section unless the county assessor has filed with the assessor's tax records prior to October 16 a statement that the application has been accepted.

Sec. 9. Minnesota Statutes 1987 Supplement, section 273.1195, is amended to read:

273.1195 [STATE PAID SMALL BUSINESS PROPERTY TAX TRANSITION CREDIT.]

For property taxes payable in 1988 only, class 3a commercial industrial property is eligible for a state paid small business transition property tax credit if the payable 1988 property taxes on the first \$120,000 of market value of the property exceed three percent of the January 2, 1987, market value. The credit is equal to 50 percent of the property tax amount which is in excess of three percent of market value. Only the first \$120,000 of market value of a qualifying parcel and the taxes attributable to the first \$120,000 of market value are eligible for the computation of this credit. Only a parcel that qualifies for the 28 percent assessment ratio contained in section 273.13, subdivision 24, paragraph (a), qualifies for the credit provided in this section. Only the market value and property tax attributable to the part of the parcel that is class 3a must be used in computing the credit provided in this section.

~~In the case of taxes paid in installments pursuant to section 279.01, subdivision 1, the credit under this section must be deducted from the second one-half installment payable October 15. The amount of the reduction must be reported to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29.~~

There is annually appropriated from the general fund to the commissioners of revenue and education the amount necessary to replace the revenue lost to local units of government and school

districts as a result of the reduction in property taxes provided in this section. The payment amounts must be determined and the installments paid under the provisions of sections 273.13, subdivision 15a, and 273.1392.

Sec. 10. Minnesota Statutes 1986, section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. ~~In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor shall not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.~~ The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 11. Minnesota Statutes 1986, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a homestead. Dates for establish-

ment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 12. Minnesota Statutes 1986, 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 by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. 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) to the extent permitted under state or federal law, 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 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 1987 Supplement, section 273.1397, subdivision 2, is amended to read:

Subd. 2. [AID TO COUNTY.] A county whose preliminary aid amount is greater than zero shall receive a payment equal to the lesser of (1) the preliminary aid amount, or (2) 95 percent of the unreimbursed local share. The commissioner of revenue shall annually determine the amounts pursuant to this section and shall notify the county of the resulting income maintenance tax disparity aid amount. The commissioner of revenue shall pay to each affected county treasurer the county's total payment for the year in equal installments on or before July 15 20 and December 15 of each year.

Sec. 14. Minnesota Statutes 1986, section 273.40, is amended to read:

273.40 [ANNUAL TAX ON COOPERATIVE ASSOCIATIONS.]

Cooperative associations organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof and laws supplemental thereto, and engaged in electrical heat, light or power business upon a mutual, nonprofit, and cooperative plan in rural areas, as hereinafter defined, are hereby recognized as quasi-public in their nature and purposes; but such cooperative associations, which operate within the corporate limits of any city shall be assessed on the basis of ~~43 percent~~ the percentage of the market value of that portion of its property located within the corporate limits of any city as provided for in section 273.13, subdivision 24.

Sec. 15. Minnesota Statutes 1987 Supplement, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities and towns shall be certified by the proper authorities to the county auditor on or before October 10 in each year. ~~The taxes of a school district must be certified to the commissioner of education by October 10 in each year.~~ If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue, ~~or the commissioner of education in the case of a school district,~~ before October 10 of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy up to 15 calendar days beyond the date of request for extension. ~~For 1988 only, the commissioner may extend the certification time to November 7 if the requirements of this subdivision are met.~~

The taxes voted by school districts must be certified by the proper authorities to the county auditor on or before October 25 of each year. If a school district fails to certify its levy by that date, its levy must be the amount it levied for the preceding year.

Sec. 16. Minnesota Statutes 1987 Supplement, section 279.01, subdivision 1, is amended to read:

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 4d or 4c, 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 the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the 16th first 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 first day of November and December 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 first day of November and December 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.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 17. Minnesota Statutes 1986, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class 2c agricultural non-homestead 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 agricultural homestead 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~~ 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2c 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~~ 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class 2c 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 1b agricultural homestead, class 2a, or class 2c 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 1b agricultural, class 2a, or class 2c agricultural.

Sec. 18. Minnesota Statutes 1986, section 375.192, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding section 270.07, upon written application by the owner of the property, the county board may grant a reduction, for the current year, of the assessed valuation of any real property in that county which erroneously has been classified, for tax purposes, as nonhomestead property, as is necessary to give it the assessed valuation which it would have received if it had been classified correctly. The application shall be made on a form prescribed by the commissioner of revenue. It shall include the social security number of the applicant and a statement of facts of ownership and occupancy. The social security number of the property owner is private data on individuals as defined by section 13.02, subdivision 12. It shall be sworn to by the owner of the property before an officer authorized to take acknowledgments. Before it is acted upon by the county board, the application shall be referred to the county assessor, or if the property is located in a city of the first class having a city assessor, to the city assessor, who shall investigate the facts and attach a report of the investigation to the application.

With respect to abatements relating to the current year's tax processed through June 30, the county auditor shall notify the commissioner of revenue on or before July 31 of that same year of all applications granted pursuant to this subdivision. With respect to abatements relating to the current year's tax processed after June 30 through the balance of the year, the county auditor shall notify the commissioner of revenue on or before the following January 31 of all applications granted pursuant to this subdivision. The form submitted by the county auditor shall be prescribed by the commissioner of revenue and shall contain the information which the commissioner deems necessary.

Sec. 19. Minnesota Statutes 1986, section 375.83, is amended to read:

375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate not more than \$50,000 annually out of the general revenue fund of the county ~~to be paid to~~ for any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county. The limitation on annual appropriations under this section does not prohibit accumu-

lation of amounts in excess of the annual appropriation amount in a fund to be used for purposes of this section, provided that the amount of accumulation in the fund may not exceed \$300,000.

Sec. 20. Minnesota Statutes 1986, 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 two installments on July ~~15~~ 20 and December 15 annually.

The commissioner may pay all or part of the payment due on December 15 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 21. [ADJUSTMENT FOR CREDITS.]

A county auditor may make a final certification of prior year adjustments not previously claimed for wetlands credit and reimbursement, native prairie credit and reimbursement, and the small business credit in the 1989 abstract of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy and make changes as are deemed necessary. After they have been reviewed, the commissioner shall include these prior year adjustments in the 1989 aid payments.

Sec. 22. [COUNTY ASSESSORS; SENIOR ACCREDITATION.]

Notwithstanding Minnesota Statutes, section 273.061, the commissioner of revenue's approval on January 1, 1989, of appointments of assessors who are not senior accredited on January 1, 1989, shall be for a term of one year. A county assessor appointed for a one-year term must reapply to the commissioner by January 1, 1990, to obtain the approval of the commissioner for the remainder of the four-year term.

Sec. 23. [REPEALER.]

Minnesota Statutes 1986, section 275.035 and Minnesota Statutes 1987 Supplement, section 273.1195 are repealed.

Sec. 24. Laws 1987, chapter 268, article 6, section 54, is amended to read:

Sec. 54. [EFFECTIVE DATE.]

Except where provided otherwise, sections 1 to 13, and 15 to 53 are effective for taxes levied in 1988, payable in 1989, and thereafter. Section 14 is effective for taxes payable in 1987 and thereafter.

Sec. 25. Laws 1987, chapter 268, article 8, section 9, is amended to read:

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective beginning for property taxes assessed in 1987 and payable in 1988; except that for property taxes payable after 1988 and before 1994, section 1 is effective only for leases executed or renewed after May 28, 1987.

Sec. 26. [EFFECTIVE DATE.]

Sections 4 and 24 are effective the day following final enactment. Sections 7 and 8 are effective for assessment year 1988 and thereafter, taxes payable in 1989 and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for the valuation and tax deferral for the 1988 assessment, the taxpayer of the property operated by private clubs under Minnesota Statutes, section 273.112, subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by September 1, 1988, showing that the bylaws or rules and regulations of the private club meet the eligibility requirements of section 7 by September 1, 1988.

Section 9 is effective only for taxes payable in 1988. Sections 3, 11, 12, 14 to 17, 23, and 25 are effective for the 1988 assessment and thereafter, taxes payable in 1989 and thereafter.

ARTICLE 7

ASSESSORS

Section 1. Minnesota Statutes 1986, section 270.41, is amended to read:

270.41 [BOARD OF ASSESSORS.]

(a) A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board may grant, renew, suspend,

or revoke an assessor's license. The board shall consist of nine members, who shall be appointed by the commissioner of revenue, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in 2 and 3 may be made from two lists of not less than three names each, one submitted to the commissioner of revenue by the Minnesota association of assessing officers or its successor organization containing recommendations for the appointment of appointees described in 2, and one by the Minnesota association of assessors, inc. or its successor organization containing recommendations for the appointees described in 3. The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the commissioner by the respective organization immediately. A member of the board who shall no longer be engaged in the capacity listed above shall automatically be disqualified from membership in the board.

The board shall annually elect a chair and a secretary of the board.

(b) The board may refuse to grant or renew, or may suspend or revoke, a license of an applicant or licensee for any of the following causes or acts:

- (1) failure to complete required training;
- (2) inefficiency or neglect of duty;
- (3) "unprofessional conduct" which means knowingly neglecting to perform a duty required by law, or violation of the laws of this state relating to the assessment of property or unlawfully exempting property or knowingly listing property on the tax list at less than its market value; or
- (4) conviction of a crime involving moral turpitude; or
- (5) any other cause or act that in the board's opinion warrants a refusal to issue or suspension or revocation of a license.

(c) The board of assessors may adopt rules under chapter 14, defining or interpreting grounds for refusing to grant or renew, and for suspending or revoking a license under this section. An action of the board of assessors in refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

Sec. 2. Minnesota Statutes 1986, section 273.05, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT OF TOWN AND CITY ASSESSORS.] Notwithstanding any other provision of law all town assessors shall be appointed by the town board, and notwithstanding any charter provisions to the contrary, all city assessors shall be appointed by the city council or other appointing authority as provided by law or charter. Such assessors shall be residents of the state but need not be a resident of the town or city for which they are appointed. They shall be selected and appointed because of their knowledge and training in the field of property taxation. All town and statutory city assessors shall be appointed for indefinite terms. The term of the town or city assessors may be terminated at any time by the town board or city council on charges by the commissioner of revenue of inefficiency or neglect of duty. Vacancies in the office of town or city assessor shall be filled within 90 days by appointment of the respective appointing authority indicated above. If the vacancy is not filled within 90 days, the office shall be terminated. When a vacancy in the office of town or city assessor is not filled by appointment, and it is imperative that the office of assessor be filled, the county auditor shall appoint some resident of the county as assessor for such town or city. The county auditor may appoint the county assessor as assessor for such town or city, in which case the town or city shall pay to the county treasurer the amount determined by the county auditor to be due for the services performed and expenses incurred by the county assessor in acting as assessor for such town or city. The term of any town or statutory city assessor in a county electing in accordance with section 273.052 shall be terminated as provided in section 273.055.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

Sec. 3. Minnesota Statutes 1986, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdi-

vision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

Sec. 4. Minnesota Statutes 1987 Supplement, section 274.01, subdivision 1, is amended to read:

Subdivision 1. [ORDINARY BOARD; MEETINGS, DEADLINES, GRIEVANCES.] (a) The town board of a town, or the council or other governing body of a city, is the board of review except in cities whose charters provide for a board of equalization. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. No changes in valuation may be made by the county assessor after the board of review or the county board of equalization has adjourned. This restriction does not apply to corrections of clerical or administrative errors.

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value, and correct the

assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just.

(c) A local board of review may reduce assessments upon petition of the taxpayer but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board of review without regard to the one percent limitation.

(d) A majority of the members may act at the meeting, and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(e) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the board meeting, as provided in section 273.01, or if the person can establish not having received notice of market value at least five days before the local board of review meeting.

(f) The board of review or the board of equalization must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk, unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board of review file written objections to an assessment or classification with the county assessor. The objections

must be presented to the board of review at its meeting by the county assessor for its consideration.

Sec. 5. [APPROPRIATION.]

There is appropriated to the state board of assessors from the general fund the amount of \$10,000 to be used in fiscal year 1989 for adopting rules as required by section 1.

ARTICLE 8

MILL RATE LEVY LIMITATIONS

Section 1. Minnesota Statutes 1987 Supplement, section 124A.02, subdivision 3a, is amended to read:

Subd. 3a. [ADJUSTED ASSESSED VALUATION.] "Adjusted assessed valuation" means the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the commissioner of revenue under section 124.2131. The adjusted assessed valuation for any given calendar year shall be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

Sec. 2. [275.011] [MILL RATE LEVY LIMITATIONS; CONVERSION FROM MILLS TO DOLLARS.]

Subdivision 1. The property tax levied for any purpose subject to a mill rate limitation imposed by statute or special law that is presently in effect, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by statute or special law multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Subd. 2. A mill rate levy limitation imposed by statute or special law that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 3. Minnesota Statutes 1986, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement.

The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount that a metropolitan area tax levy of 5/100 of a mill would raise in of the authorized levy for that year.

Sec. 4. Minnesota Statutes 1986, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. The This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision. The tax shall not be levied at a rate higher than 5/100 of one mill. The tax shall not be levied at a rate higher than that determined by the council to be sufficient, considering the other anticipated revenues of and disbursements from the loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount that a tax levy of 5/100 of a mill would raise in that year.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, except as provided in section 6, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year

1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the previous assessment year.

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 5. Minnesota Statutes 1986, section 473.167, is amended by adding a subdivision to read:

Subd. 4. [STATE REVIEW.] The commissioner of revenue shall annually determine whether the property tax for the right-of-way acquisition loan fund certified by the metropolitan council for levy following the adoption of its budget is within the levy limitation imposed by this section. To the extent practicable, the determination must be completed prior to November 1 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.

Sec. 6. Minnesota Statutes 1986, section 473.167, is amended by adding a subdivision to read:

Subd. 5. [LEVY INCREASE.] For the purpose of determining the levy limitation for taxes payable in 1989 under subdivision 3, the levy limitation for taxes payable in 1988 shall be multiplied by two. The levy limitation so determined for taxes payable in 1989 shall be the basis for determining levy limitations for taxes payable in 1990 and subsequent years under subdivision 3.

Sec. 7. Minnesota Statutes 1986, section 473.249, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. The tax shall not exceed 8/30 of one mill on the total assessed valuation of all such taxable property located in the metropolitan area, and This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the previous assessment year.

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable

property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 8. Minnesota Statutes 1986, section 473.249, is amended by adding a subdivision to read:

Subd. 3. [LEVY LIMIT.] Notwithstanding any other provision of this section, effective for property taxes payable in 1989 and subsequent years, the total amount of dollars levied by the council for general purposes under this section in any year may not increase over the amount levied in the preceding year by a percentage greater than the percentage increase during the most recent 12-month period in the implicit price deflator for state and local government purchases of goods and services.

Sec. 9. Minnesota Statutes 1987 Supplement, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount ~~up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;~~

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general

purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.5 mills on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.75 mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifica-

tions to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section ~~273.1394~~ 273.1325. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 10. Minnesota Statutes 1986, section 473.446, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION AND COLLECTION.] ~~On or before October 10 in each year the regional transit board shall certify the total amount of the tax levied pursuant to subdivision 1 to the auditor of each metropolitan county. Each county auditor shall then assess and extend upon the tax rolls in the county that proportion of the tax which the assessed value of taxable property in the county bears to the assessed value of all taxable property in the metropolitan area. Each county treasurer shall collect and make settlement of such the taxes levied under subdivisions 1 and 1a with the treasurer of the board. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the board for other purposes authorized by law and shall be in addition to any other property tax authorized by law.~~

Sec. 11. Minnesota Statutes 1986, section 473.446, is amended by adding a subdivision to read:

Subd. 8. [STATE REVIEW.] The commissioner of revenue shall annually determine whether the property tax for general purposes certified by the regional transit board for levy following the adoption of its budget is within the levy limitation imposed by subdivision 1. The commissioner shall also annually determine whether the transit tax imposed on all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district is within the levy limitation imposed by subdivision 1a. To the extent practicable, the determination must be completed prior to November 1 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculations.

Sec. 12. Minnesota Statutes 1986, section 473.711, subdivision 2, is amended to read:

Subd. 2. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding six-tenths of one mill times the current assessed valuation of the district the property tax levy limitation determined in this subdivision. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed six-tenths of one mill the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed six-tenths of one mill in any county the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total assessed valuation to the total assessed valuation of the entire district as adjusted by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito and black gnat (Simuliidae) control except under sections 473.701 to 473.716. The levy shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of six-tenths on one mill multiplied by the total assessed valuation of all taxable property located within the district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the commission's property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the district divided by the assessment year 1987 total market valuation of all taxable property located within the district; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index

for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year.

For the purpose of determining the commission's property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 13. Minnesota Statutes 1986, section 473.711, is amended by adding a subdivision to read:

Subd. 5. [STATE REVIEW.] The commissioner of revenue shall annually determine whether the property tax certified by the metropolitan mosquito control commission for levy following the adoption of its budget is within the levy limitation imposed by subdivision 2. To the extent practicable, the determination must be completed prior to November 1 of each year. If current information regarding market valuation in any county is not transmitted to the commissioner in a timely manner, the commissioner may estimate the current market valuation within that county for purposes of making the calculation.

Sec. 14. Minnesota Statutes 1987 Supplement, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property and of exempt property referred to in section 275.49, situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. The county auditor of each county containing exempt property referred to in section 275.49, situated within any school district, shall certify to the district upon request the total market value of all such property as determined under section 275.49. The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87. Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the assessed valuation of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between

such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors and, where applicable, by the commissioner of revenue under section 270.87, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 15. [REPEALER.]

Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49, are repealed.

Sec. 16. [APPLICABILITY.]

Sections 3 to 13 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 17. [EFFECTIVE DATE.]

This article is effective for property taxes levied in 1988 and thereafter, payable in 1989 and thereafter.

ARTICLE 9

PARK TRAILERS

Section 1. Minnesota Statutes 1986, section 168.011, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOME AND, HOUSE TRAILER, AND PARK TRAILER.] (a) "Manufactured home" means any trailer or semitrailer which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters except house trailers and park trailers.

(b) "House trailer" means any trailer or semitrailer which is not more than eight feet in width and not more than 35 feet in length and which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters.

(c) "Park trailer" means a trailer or manufactured home that:

(1) exceeds eight feet in width but is no larger than 400 square feet when the collapsible components are fully extended, or at maximum horizontal width;

(2) is built on a single chassis, self-propelled or permanently towable; and

(3) is used as a temporary living abode or living quarters.

Sec. 2. Minnesota Statutes 1986, section 168.012, subdivision 9, is amended to read:

Subd. 9. Manufactured homes and park trailers shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. Except as provided in section 274.19, manufactured homes and park trailers shall be taxed as personal property. The provisions of Minnesota Statutes 1957, section 272.02 or any other act providing for tax exemption shall be inapplicable to manufactured homes, except such manufactured homes as are held by a licensed dealer and exempted as inventory. House trailers not used on the highway during any calendar year shall be taxed as manufactured homes if occupied as human dwelling places.

Sec. 3. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 1, is amended to read:

Subdivision 1. [VALUATION; NOTICE.] Subdivisions 1 to 7 apply to manufactured homes and park trailers that are assessed under subdivision 8, ~~paragraph~~ paragraphs (c) and (e). Each manufactured home and park trailer must be valued each year by the assessor and assessed with reference to its value on January 2 of that year. Notice of the value must be mailed to the person to be assessed at least ten days before the meeting of the local board of review or equalization. The notice must contain the amount of valuation in terms of market value, the assessor's office address, and the date, place, and time set for the meeting of the local board of review or equalization and the county board of equalization.

Sec. 4. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 2, is amended to read:

Subd. 2. [RETURN ASSESSMENT BOOKS; SET TAX.] On or before May 1, the assessor shall return to the county auditor the assessment books relating to the assessment of manufactured homes and park trailers. After receiving the assessment books, the county auditor shall determine the tax to be due by applying the rate of levy of the preceding year and shall send a list of the taxes to the county treasurer not later than May 30.

Sec. 5. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 3, is amended to read:

Subd. 3. [TAX STATEMENTS; PENALTIES; COLLECTIONS.]

Not later than July 15 in the year of assessment the county treasurer shall mail to the taxpayer a statement of tax due on a manufactured home and park trailers. The taxes are due on the last day of August. Taxes remaining unpaid after the due date are delinquent, and a penalty of eight percent must be assessed and collected as part of the unpaid taxes. On September 30 the county treasurer shall make a list of taxes remaining unpaid and shall certify the list immediately to the court administrator of district court. The court administrator shall issue warrants to the sheriff for collection.

Sec. 6. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 4, is amended to read:

Subd. 4. [PETITIONS OF GRIEVANCE.] A person who claims that the person's manufactured home or park trailer has been unfairly or unequally assessed, or that the property has been assessed at a valuation greater than its real or actual value, or that the tax levied against it is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined in court. The determination must be made by the district court of the county in which the tax is levied or by the tax court. A person can request the determination by filing a petition for it in the office of the court administrator of the district court on or before September 1 of the year in which the tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 7. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 6, is amended to read:

Subd. 6. [CORRECTING TAX.] If the local board of review or equalization or the county board of equalization changes the assessor's valuation of a manufactured home or park trailer, the change must be sent to the county auditor. The auditor shall immediately recompute the tax and advise the treasurer of the corrected tax. If the property is entitled to homestead classification, the auditor shall reduce the tax accordingly.

Sec. 8. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 7, is amended to read:

Subd. 7. [PERSONAL PROPERTY.] The tax assessed on manufactured homes and park trailers is a personal property tax. Laws relating to assessment, review, and collection of personal property taxes apply to this tax, if consistent with this section.

Sec. 9. Minnesota Statutes 1987 Supplement, section 274.19, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOMES; SECTIONAL STRUCTURES; PARK TRAILERS.] (a) In this section, "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air conditioning, and electrical systems in it. "Manufactured home" includes any accessory structure that is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.

In this section, "park trailer" has the meaning given to it in section 168.011, subdivision 8. Notwithstanding section 168.012, subdivision 9, it must be taxed under this section regardless of whether or not it is registered as a motor vehicle under chapter 168. The county assessor shall determine if the trailer is a park trailer and is subsequently taxable under this section. Proof must be furnished to the county assessor by the owner of the trailer if the owner deems otherwise. If an agreement cannot be reached between the owner of the trailer and the county assessor, the commissioner of revenue shall make the final determination.

(b) A manufactured home that meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification applies, and the valuation is subject to review and the taxes payable in the manner provided for real property:

(1) the owner of the unit holds title to the land on which it is situated;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured home building code in sections 327.31 to 327.34, and rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A manufactured home that meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property, and the valuation is subject to review and the taxes payable in the manner provided in this section:

(1) the owner of the unit is a lessee of the land under the terms of a lease;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured homes building code contained in sections 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) If the owner of the park trailer, as defined in section 168.011, subdivision 8, holds title to the land upon which it is situated, the park trailer must be valued and assessed as an improvement to real property and the appropriate real property classification shall apply and the valuation is subject to review and taxes payable in the manner for real property.

(e) If the owner of the park trailer, as defined in section 168.011, subdivision 8, is a lessee of the land pursuant to the terms of a lease, the park trailer must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property and the valuation is subject to review and the taxes payable in the manner provided in this section.

(f) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land on which it is located or is a qualifying lessee of the land under section 273.19. In this paragraph "sectional structure" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on-site alone or with other units and attached to a permanent foundation.

(e) (g) The commissioner of revenue may adopt rules under the administrative procedure act to establish additional criteria for the classification of manufactured homes and, sectional structures, and park trailers under this subdivision.

Sec. 10. Minnesota Statutes 1986, section 297A.02, subdivision 4, is amended to read:

Subd. 4. [MANUFACTURED HOUSING AND PARK TRAILERS.] Notwithstanding the provisions of subdivision 1, for sales at retail of manufactured homes used for residential purposes and park trailers defined in section 168.011, subdivision 8, clause (c), the excise tax is imposed upon 65 percent of the sales price of the home or park trailer provided that if, in the case of park trailers, property taxes are not levied on the park trailer, the excise tax shall be recomputed based upon 100 percent of the original sales price and the owner shall pay the amount of difference to the state before being granted a permit to move the trailer under section 169.86.

Sec. 11. Minnesota Statutes 1986, section 297A.25, subdivision 27, is amended to read:

Subd. 27. [MANUFACTURED HOMES AND PARK TRAILERS.] The gross receipts from the sale of a manufactured home, as defined in section 327.31, subdivision 6, and park trailers as defined in section 168.011, subdivision 8, clause (c), to be used by the purchaser for residential purposes are exempt, unless the sale is the first retail sale of the manufactured home or park trailer in this state.

Sec. 12. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [PARK TRAILERS.] The gross receipts from the sale of any lease or contract for the space to park a "park trailer" as defined in section 168.011, subdivision 8, provided that the park trailer is subject to property taxes for that same time period.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective January 1, 1989.

ARTICLE 10

TAXES ON GAMBLING

Section 1. Minnesota Statutes 1986, section 240.01, is amended by adding a subdivision to read:

Subd. 12. [AVERAGE DAILY HANDLE.] "Average daily handle" means the total amount bet in all pari-mutuel pools at a licensed racetrack during the racing meeting divided by the number of days that horse racing was conducted at the racetrack during the racing meeting.

Sec. 2. Minnesota Statutes 1986, section 240.13, subdivision 4, is amended to read:

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to not more than 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to not more than 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the

basis of payoffs rounded down to the next lowest increment of 20 cents, with a minimum payoff of \$2.20 on a \$2 ticket, except that the licensee may reduce the minimum payoff to \$2.10 on a \$2 ticket if there is not a sufficient amount in a pool to make a minimum payoff of \$2.20.

Sec. 3. Minnesota Statutes 1987 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, an amount equal to not less than five percent the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) For a licensee conducting a racing meeting with an average daily handle of \$500,000 or less, four percent of the average daily handle times the number of racing days in that meeting.

(2) For a licensee conducting a racing meeting with an average daily handle of more than \$500,000 but not more than \$750,000, six percent of the average daily handle times the number of racing days in that meeting.

(3) For a licensee conducting a racing meeting with an average daily handle of more than \$750,000, eight percent of the first \$1,000,000 in average daily handle times the number of racing days in that meeting.

The commission may by rule provide for the administration and enforcement of this subdivision.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's

organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

Sec. 4. Minnesota Statutes 1986, section 240.13, subdivision 6, is amended to read:

Subd. 6. [TELEVISED RACES.] The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race, and

(b) the licensee may pay the costs of transmitting the broadcast of the race.

Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections. In lieu of the purse requirement established by subdivision 5, the licensee shall set aside for purses one-half of the takeout from the amount bet on televised races after the payment of fees and taxes. For the purposes of purse distribution under subdivision 5, the average daily handle shall not include amounts bet in pari-mutuel pools on televised races.

Sec. 5. Minnesota Statutes 1986, 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 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 $\frac{3}{4}$ percent of the total amount bet in all pari-mutuel pools.

(2) For each racing day in a calendar year 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, six percent of the total amount bet in all pari-mutuel pools rate of six percent of the total amount withheld from all pari-mutuel pools by the licensee, including breakage and amounts withheld under section 240.13, subdivision 4.

In addition to the above tax, the licensee must designate and pay to the commission a tax of one percent of the total amount bet on each racing day, 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 $1\frac{3}{4}$ 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.

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 on each paid admission at any a licensed racetrack on a racing day 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. 6. Minnesota Statutes 1986, section 240.15, subdivision 2, is amended to read:

Subd. 2. [PAYMENT.] The licensee must remit the tax to the commission or its representative within seven days of the day on which it was collected. In addition to the tax and at that time the licensee must pay to the commission or its representative a sum equal to one-half the total breakage for each racing day during the period for which the tax is paid. The payments must be accompanied by a detailed statement of the remittance on a form the commission prescribes. The commission may by rule provide for the direct deposit of required payments in the commission's account in a

financial institution within the state and for determining the time of applicability of different tax rates under subdivision 1.

Sec. 7. Minnesota Statutes 1986, section 240.15, subdivision 3, is amended to read:

Subd. 3. [TAX EXCLUSIVE.] The tax imposed by subdivision 1 is in lieu of any tax or license fee, other than taxes on real property, imposed by a political subdivision and in lieu of any other sales or excise tax imposed by the state on ~~racetrack admissions or pari-mutuel pools or pari-mutuel ticket sales.~~

Sec. 8. Minnesota Statutes 1986, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18. Revenue from an ~~additional~~ admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 9. Minnesota Statutes 1986, section 240.18, is amended to read:

240.18 [BREEDERS' FUND.]

The commission shall establish a Minnesota breeders' fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall apportion the remaining net proceeds into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks in proportion to each category's contribution to the fund and distribute the available net proceeds in each such category as follows:

(1) With respect to the available money apportioned in the thoroughbred and quarterhorse categories, twenty percent of the available money in the fund must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state.

(2) After deducting the amount for (1), the balance of the available proceeds shall be apportioned into categories corresponding with the various breeds of horses which are racing at licensed Minnesota

racetracks, in proportion to each category's contribution to the fund. The available funds in each such category may be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred, Minnesota-foaled, or Minnesota-owned horses until January 1, 1988, and for Minnesota-bred and Minnesota-foaled horses after that date in that category;

(b) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

(3) With respect to the available money apportioned in the standardbred category, 20 percent must be expended as follows:

(a) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state;

(b) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and

(c) one-fourth of that amount as grants for equine research and related education at public institutions of post-secondary learning in the state.

(4) After deducting the amount for clause (3) the balance of the available proceeds in the standardbred category must be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(b) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 10. Minnesota Statutes 1986, section 349.12, subdivision 18, is amended to read:

Subd. 18. [DEAL.] "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number purchased from a distributor.

Sec. 11. Minnesota Statutes 1986, section 349.12, is amended by adding a subdivision to read:

Subd. 19. [IDEAL GROSS.] "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal was sold at its face value.

Sec. 12. Minnesota Statutes 1986, section 349.12, is amended by adding a subdivision to read:

Subd. 20. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 13. Minnesota Statutes 1987 Supplement, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

Sec. 14. Minnesota Statutes 1987 Supplement, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the face resale value of all the pull-tabs in each deal

less the total prizes which may be paid out on all the pull-tabs in that ideal net of the pull-tab and tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

If a licensed organization or any organization holding an exemption number receives pull-tabs directly from the manufacturer and the manufacturer is not a licensed distributor, the distributor from whom the pull-tabs were purchased is liable for tax when the manufacturer delivers the pull-tabs to the organization, or to a contract or common carrier for delivery to the organization, or when the pull-tabs are received by the organization's authorized representative at the manufacturer's place of business, regardless of the manufacturer's or the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Sec. 15. Minnesota Statutes 1986, section 349.2121, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION AND ISSUANCE.] Every distributor licensed by the board who sells pull-tabs and tipboards to organizations authorized to sell pull-tabs and tipboards under this chapter must file with the commissioner of revenue an application, on a form the commissioner prescribes, for a gambling tax identification number and gambling tax permit. The commissioner, when satisfied that the applicant has a valid license from the board, shall issue the applicant a permit and number. A permit is not assignable and is valid only for the distributor in whose name it is issued.

Sec. 16. Minnesota Statutes 1986, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] The commissioner may by rule require a licensed distributor holding a permit under this section to keep such books, papers, documents, and records as the commissioner deems necessary to the enforcement of this chapter. The commissioner may examine, or cause to be examined, any books, papers, records, or other documents relevant to making a determination, whether they are in the possession of a distributor or another person or corporation. The commissioner may require the attendance of any persons having knowledge or information in the premises; to compel the production of books, papers, records, or memoranda by persons so required to attend; to take testimony on matters material to a determination, and to administer oaths or affirmations. A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers; the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner, executive secretary of the charitable gambling control board, or any of their duly authorized agents or employees, may enter a place of business of a distributor, charitable organization, or any site from which pull-tabs or tipboards are being sold and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of this section are being fully complied with. If the commissioner, executive secretary, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 17. Minnesota Statutes 1986, section 349.2121, is amended by adding a subdivision to read:

Subd. 2a. A distributor who sells pull-tabs and tipboards to persons other than the ultimate consumer shall give with each sale an itemized invoice showing the distributor's name and address, the purchaser's name and address, the date of the sale, description of the deals including the ideal net amounts, and all prices and discounts, and shall keep legible copies of all the itemized invoices for 3½ years from the date of sale.

Sec. 18. Minnesota Statutes 1987 Supplement, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] If any deal of pull-tabs or tipboards registered with the board and upon which the tax imposed by section 349.212, subdivision 4, has been paid is returned unplayed to the distributor, the commissioner of revenue shall allow a refund of the tax paid.

In the case of a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be in a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 19. Minnesota Statutes 1986, section 349.2121, subdivision 5, is amended to read:

Subd. 5. [PUBLIC INFORMATION CONFIDENTIAL.] Neither the commissioner nor any other public official or employee may divulge or otherwise make known in any manner any particulars disclosed in any report or return required by this section, or any information concerning the affairs of the distributor making the return acquired from its records, officers, or employees while examining or auditing under the authority of this chapter, except in connection with a proceeding involving taxes due under this chapter. Nothing herein prohibits the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and their contents. Any person violating the provisions of this section is guilty of a gross misdemeanor.

Notwithstanding the provisions of this section, the commissioner may furnish information on a reciprocal basis to the taxing officials of another state or the board in order to implement the purposes of this chapter.

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 must be administered by the vendor

consistent with this section. All records concerning the administration of the pull-tab and tipboard taxes are classified as public information.

Sec. 20. Minnesota Statutes 1987 Supplement, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTAXED PULL-TABS OR TIPBOARDS.] It is a gross misdemeanor for any person to possess pull-tabs or tipboards for resale in this state that have not been registered with the board, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4, or chapter 297A have not been paid. The executive secretary of the charitable gambling control board or the commissioner of revenue or their designated inspectors and employees may seize in the name of the state of Minnesota any unregistered or untaxed pull-tabs or tipboards.

Sec. 21. Minnesota Statutes 1987 Supplement, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER; PENALTY.]

A manufacturer registered with the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. Any person violating this section shall be guilty of a misdemeanor.

Sec. 22. Minnesota Statutes 1987 Supplement, section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The commissioner of revenue may, upon request, require a pull-tab licensed distributor to furnish a certified physical inventory of the pull-tabs and tipboards in stock. The inventory must contain the information required by the commissioner.

Sec. 23. [349.2125] [CONTRABAND.]

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed organization whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; and

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1).

Subd. 2. [SEIZURE.] Pull-tabs or tipboards or other property made contraband by subdivision 1 may be seized by the commissioner of revenue or the executive secretary of the charitable gambling control board or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the executive secretary of the charitable gambling control board. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be

released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Subd. 4. [DISPOSAL.] The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. The proceeds of the sale, after deducting the expense of keeping the property and fees and costs of sale, must be paid into the state treasury and credited to the general fund. If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to

the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds into the state treasury to be credited to the general fund. A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the best interests of the state to do so.

Sec. 24. [349.2127] [PROHIBITIONS.]

Subdivision 1. [COUNTERFEITING.] No person shall with intent to defraud the state, make, alter, forge, or counterfeit any license or stamp provided for in this chapter, or have in possession any forged, spurious, or altered stamps, with the intent, or with the result of, depriving the state of the tax imposed by this chapter.

Subd. 2. [PROHIBITION AGAINST POSSESSION.] No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

Subd. 3. [FALSIFICATION OF RECORDS.] No person required by section 349.2121, subdivision 2, to keep records or to make returns shall falsify or fail to keep the records or falsify or fail to make the returns.

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] No person shall transport into, or receive, carry, or move from place to place in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter except in the course of interstate commerce, unless the deals are moving from one distributor to another.

Sec. 25. Minnesota Statutes 1986, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] Any other violation of A person who in any manner violates sections 349.11 to 349.214 is to evade the tax imposed by this chapter, or who aids and abets evasion of the tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 26. Minnesota Statutes 1986, section 349.22, is amended by adding a subdivision to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person violating section 349.2127, subdivisions 2 and 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals not stamped in accordance with this chapter is guilty of a felony.

Sec. 27. Minnesota Statutes 1986, section 349.22, is amended by adding a subdivision to read:

Subd. 4. [SALES AFTER REVOCATION.] A person selling pull-tabs or tipboards after the person's license or permit has been revoked is guilty of a felony.

Sec. 28. [REPEALER.]

Minnesota Statutes 1986, section 240.15, subdivision 5, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 9, and 28 are effective the day following final enactment. Sections 10 to 13 and 15 to 27 are effective July 1, 1988. Section 14 is effective for deals of tipboards purchased and placed into inventory after June 30, 1988.

ARTICLE 11

SALES TAX

Section 1. Minnesota Statutes 1987 Supplement, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including meals or drinks served to patients or persons residing at hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, non-profit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges. "Sales" also includes meals furnished by employers to employees at less than fair market value, except meals furnished at no charge to employees of hospitals, nursing homes, boarding care homes, sanitariums, or group homes who are required to eat with the patients or residents residing in them and the value of the meals not paid by employees. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, massage parlors, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply,

cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services, but not including the portion of maintenance contracts that provide for repairs to real property if the price of the repairs is separately stated;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services;

(v) pet grooming services; and

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub planting, pruning, bracing, spraying, and surgery; and tree trimming for public utility lines.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a ~~corporation~~, partnership, or association for another ~~corporation~~, partnership, or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(1) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under. ~~The provisions of this paragraph do not apply to an association incorporated under section 315.44.~~

Sec. 2. Minnesota Statutes 1986, section 297A.15, subdivision 1, is amended to read:

Subdivision 1. Liability for the payment of the use tax is not extinguished until the tax has been paid to Minnesota. However, a receipt from a retailer maintaining a place of business in Minnesota, or from a retailer who is authorized by the commissioner under such rules as the commissioner may prescribe, to collect the tax, given to the purchaser pursuant to section 297A.16 relieves the purchaser of further liability for the tax to which the receipt refers, unless the purchaser knows or has reason to know that the retailer did not have a permit to collect the tax.

Sec. 3. Minnesota Statutes 1986, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of sections 297A.02, subdivision 2, and 297A.257 the tax on sales of capital equipment, and construction materials and supplies under section 297A.257, shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the rates under section 297A.02, subdivision 2, or the exemption under section 297A.257 shall be paid to the purchaser. 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. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.02, subdivision 2, or capital equipment or construction materials and supplies under section 297A.257. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 297A.34 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 4. Minnesota Statutes 1986, section 297A.16, is amended to read:

297A.16 [COLLECTION OF TAX AT TIME OF SALE.]

Any corporation authorized to do business in Minnesota, any retailer as defined in who is required under section 297A.21; or any other retailer as the commissioner shall authorize pursuant to section 297A.15, or authorized by the commissioner to collect the use tax upon making retail sales of any items enumerated in this chapter not exempted under sections 297A.01 to 297A.44, to which the use tax applies shall at the time of making such sales collect the use tax from the purchaser and give to the purchaser a receipt therefor in the form of a notation on the sales slip or receipt for the sales price or in such other form as prescribed by the commissioner. Any such corporation or retailer shall not collect the tax from a purchaser who furnishes to such corporation or retailer a copy of a certificate issued by the commissioner authorizing such purchaser to pay any sales or use tax due on purchases made by such purchaser directly to the commissioner. The tax collected by such corporation or retailer pursuant to the provisions of this section shall be remitted to the commissioner as provided in other sections of this chapter.

Any corporation or any retailer required to collect the use tax and remit such tax to the commissioner pursuant to this section shall file with the commissioner an application for a permit pursuant to section 297A.04. Every such corporation or retailer shall furnish the commissioner with the name and address of all its agents operating in Minnesota and the location of each of its distribution or sales houses or offices or other places of business in this state.

Sec. 5. Minnesota Statutes 1986, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 6. Minnesota Statutes 1986, section 297A.21, is amended to read:

297A.21 [REGISTRATION; INFORMATION RELATING TO BUSINESS LOCATION TO COLLECT USE TAX.]

Subdivision 1. Every retailer making retail sales for storage, use or other consumption in Minnesota shall register with the commissioner and give the name and address of all agents operating in Minnesota, the location of all distribution or sales houses, offices or other places of business in Minnesota, and such other information as the commissioner may require. When, in the opinion of the commissioner, it is necessary for the efficient administration of sections 297A.14 to 297A.25 to regard any salesperson, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom that person operates or from whom the person obtains the tangible personal property sold, whether making sales personally or in behalf of such dealer, distributor, supervisor, employer, or other person, the commissioner may regard the salesperson, representative, trucker, peddler, or canvasser as such agent, and may regard the dealer, distributor, supervisor, employer, or other person as a retailer for the purposes of sections 297A.14 to 297A.25.

Subd. 2. [RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] "Retailer maintaining a place of business in this state", or any like term, shall mean any retailer having or maintaining within this state, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any agent operating within this state under the authority of the retailer or its subsidiary, whether such place of business or agent is located in the state permanently or temporarily, or whether or not such retailer or subsidiary is authorized to do business within this state.

Subd. 2. [DESTINATION.] The destination of a sale is the location to which the retailer makes delivery of the property sold, or causes

the property to be delivered, to the purchaser of the property, or to the agent or designee of the purchaser by any means of delivery, including the United States Postal Service, a common carrier, or a contract carrier.

Subd. 3. [OUT-OF-STATE RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] A retailer making retail sales from outside this state to a destination within this state and maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16.

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements broadcast on a radio or television station located in Minnesota; or

(7) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state,

including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Furthermore, paragraph (a) shall be construed without regard to the state from which the distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state is presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state is not required to collect use tax imposed by a local governmental unit or subdivision of this state. This section does not subject a retailer to regulation by a local unit of government or subdivision of this state.

Subd. 5. [VOLUNTARY REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] A retailer making retail sales from outside this state to a destination within this state who is not required to collect and remit use tax may nevertheless voluntarily file an application for a permit pursuant to section 297A.04. If the application is granted, the retailer shall collect and remit the use tax as provided in section 297A.16 until the permit is canceled or revoked.

Subd. 6. [COMMISSIONER'S DISCRETION.] (a) The commissioner may decline to issue a permit to any retailer not maintaining a place of business in this state, or may cancel a permit previously issued to the retailer, if the commissioner believes that the use tax can be collected more effectively from the persons using the property in this state. A refusal to issue or cancellation of a permit on such grounds does not affect the retailer's right to make retail sales from outside this state to destinations within this state.

(b) When, in the opinion of the commissioner, it is necessary for the efficient administration of sections 297A.14 to 297A.25 to regard a salesperson, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom that person operates or from whom the person obtains the tangible personal property sold, whether making sales personally or in behalf of that dealer, distributor, supervisor, employer, or other person the commissioner may regard the salesperson, representative, trucker, peddler, or canvasser as such agent, and may regard the dealer, distributor, supervisor, employer, or other person as a retailer for the purposes of sections 297A.14 to 297A.25.

Sec. 7. Minnesota Statutes 1987 Supplement, section 297A.212, is amended to read:

297A.212 [RAILROAD ROLLING STOCK.]

Railroad rolling stock used by a railroad operating in this state that is licensed as a common carrier by the Interstate Commerce Commission and used to transport persons or property in interstate or foreign commerce is subject to taxation under this chapter only to the extent provided in this section. The tax must be computed using the ratio of intrastate mileage to interstate or foreign mileage traveled by the carrier during the previous fiscal year of the carrier revenue ton miles of passengers, mail, express, and freight carried by the railroad within this state to the total number of revenue ton miles carried by the railroad within and without this state. This ratio must be determined at the close of the carrier's previous fiscal year. This ratio must be applied each month to the purchase price total amount of purchases of total purchases of rolling stock that are used in within and without this state by the railroad to establish that portion of the total used and consumed in intrastate movement and subject to tax under this chapter. "Railroad rolling stock" means all portable or moving apparatus and machinery of a railroad company and includes engines, cars, tenders, coaches, sleeping cars, and parts necessary for the repair and maintenance of the rolling stock.

Sec. 8. Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, therapeutic, and prosthetic devices. Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, or a combination thereof are exempt.

Sec. 9. Minnesota Statutes 1986, section 297A.25, subdivision 5, is amended to read:

Subd. 5. [OUTSTATE TRANSPORT OR DELIVERY.] The gross receipts from the following sales of tangible personal property are exempt:

(1) property 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~~

(2) property 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 are exempt.

Sec. 10. Minnesota Statutes 1986, section 297A.25, subdivision 8, is amended to read:

Subd. 8. [CLOTHING.] The gross receipts from the sale of clothing and wearing apparel are exempt, except the following:

(1) 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;

(2) 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;

(3) 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 chapter shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies;

(4) 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, salespeople's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

Clothing and wearing apparel includes bullet-resistant soft body armor that is flexible, concealable, and custom-fitted to provide the wearer with ballistic and trauma protection. The bullet resistant soft body armor must meet or exceed the requirements of standard 0101.01 of the National Institute of Law Enforcement and Criminal Justice in effect on December 30, 1986, or meet or exceed the requirements of the standard except wet armor conditioning.

Sec. 11. Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (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.

Sec. 12. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [YMCA AND YWCA MEMBERSHIPS.] The gross receipts from the sale of memberships, including both one-time initiation fees and periodic membership dues, to an association incorporated under section 315.44 are exempt. However, all separate charges made for the privilege of having access to and the use of the association's sports and athletic facilities are taxable.

Sec. 13. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 38. [USED MOTOR OILS.] Used motor oils are exempt.

Sec. 14. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 39. [CROSS COUNTRY SKI PASSES.] The gross receipts from the sale of cross country ski passes issued under sections 85.40 to 85.43 are exempt.

Sec. 15. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 40. [STATE FAIR ADMISSIONS.] The gross receipts from the sale of tickets to the premises of or events sponsored by the state or county agricultural society and conducted on the state or county fairgrounds during the period of the annual state or county fair are exempt, provided that:

(1) the tax forgone under this subdivision is used exclusively for the purpose of making capital improvements to public buildings and facilities on the fairgrounds; and

(2) the tax forgone under this subdivision is matched in equal amount by proceeds from special assessments levied against commercial exhibits, concessions and rentals, and from other special user fees specifically designated for capital improvements.

Sec. 16. Minnesota Statutes 1986, section 297A.256, is amended to read:

297A.256 [EXEMPTIONS FOR CERTAIN NONPROFIT GROUPS.]

Notwithstanding the provisions of this chapter, the following sales made by a "nonprofit organization" are exempt from the sales and use tax.

(a) (1) All sales made by an organization for fundraising purposes if that organization exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed \$10,000.

(2) A club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the \$10,000 limit. This paragraph does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123.38, subdivision 2 or be recorded in the same

manner as other revenues or expenditures of the school district under section 123.38, subdivision 2b.

(b) All sales made by an organization for fundraising purposes if that organization is a senior citizen group which qualifies for exemption on its purchases pursuant to section 297A.25, subdivision 16. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed \$10,000.

(c) The gross receipts from the sales of tangible personal property at, admission charges for, and sales of food, meals, or drinks at fundraising events sponsored by a nonprofit organization when the entire proceeds, except for the necessary expenses therewith, will be used solely and exclusively for charitable, religious, or educational purposes. This exemption does not apply to admission charges for events involving bingo or other gambling activities or to charges for use of amusement devices involving bingo or other gambling activities. For purposes of this clause, a "nonprofit organization" means any unit of government, corporation, society, association, foundation, or institution organized and operated for charitable, religious, educational, civic, fraternal, senior citizens' or veterans' purposes, no part of the net earnings of which enures to the benefit of a private individual.

If the profits are not used solely and exclusively for charitable, religious, or educational purposes, the entire gross receipts are subject to tax.

Each nonprofit organization shall keep a separate accounting record, including receipts and disbursements from each fundraising event. All deductions from gross receipts must be documented with receipts and other records. If records are not maintained as required, the entire gross receipts are subject to tax.

The exemption provided by this section does not apply to any sale made by or in the name of a nonprofit corporation as the active or passive agent of a person that is not a nonprofit corporation.

The exemption for fundraising events under this section is limited to no more than 24 days a year. Fundraising events conducted on premises leased or occupied for more than four days but less than 30 days do not qualify for this exemption.

Sec. 17. Minnesota Statutes 1986, section 297A.35, subdivision 1, is amended to read:

Subdivision 1: A person who has, pursuant to the provisions of this chapter, paid to the commissioner an amount of tax for any period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of such excess subject to

the conditions specified in subdivision 5. Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid, or within three years from the filing of the return, whichever period is the longer. The commissioner shall examine the claim and make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such person at the address stated upon the claim. Any allowance shall include interest on the excess determined at a rate specified in section 270.76 from the date such excess was paid or collected until the date it is refunded or credited, unless otherwise specified in this chapter. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any taxes under sections 297A.01 to 297A.44 due from the claimant and for the balance of said allowance, if any, the commissioner shall issue a certificate for the refundment of the excess paid, and the commissioner of finance shall cause such refund to be paid out of the proceeds of the taxes imposed by sections 297A.01 to 297A.44, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Sec. 18. Minnesota Statutes 1986, section 329.11, is amended to read:

329.11 [LICENSE; APPLICATION, ISSUANCE; FEE; BOND; AGENT FOR SERVICE OF PROCESS.]

Any transient merchant desiring to engage in, do, or transact business by auction or otherwise, in any county in this state shall file an application for a license for that purpose with the auditor of the county in which the desired business is to be conducted, which application shall state the name of the applicant, the proposed place of business, the kind of business proposed to be conducted, and the length of time desired to do business. Such transient merchant shall pay to the treasurer of such county a license fee of \$150, any personal property taxes payable by the merchant pursuant to Minnesota Statutes 1949, Sections 288.01 to 288.03, and shall give bond to the county in an amount to be determined by the county treasurer, which shall be not less than \$1,000 nor more than \$3,000 which bond shall be approved by the treasurer and be conditioned that the merchant will in all things conform to the laws relating to transient merchants and further conditioned on full compliance with all material oral or written statements and representations made by the seller, the seller's agents, representatives, or auctioneers with reference to merchandise sold or offered for sale and on faithful performance under all warranties made with reference thereto. The treasurer of such county shall issue to such person receipts therefor, and such transient merchant shall thereupon file such receipts with the auditor of such county, who shall thereupon issue to such transient merchant a license to do business as such at the place described in the application; and the kind of business to be done

shall be described therein. No license shall be good for more than one person unless such person shall be a member of a copartnership, nor for more than one place, and shall not be good outside of the county in which it was issued. Such license shall be good for a period of one year from the date of its issuance. The auditor shall keep a record of such licenses in a book provided for that purpose, which shall at all times be open for public inspection. No license shall be issued unless the merchant produces evidence that the merchant is the holder of a valid seller's permit issued under section 297A.04, or a written statement from the merchant that the merchant is not offering for sale any item that is taxable under chapter 297A.

The application shall further contain the applicant's residence and business address for the prior two year period; the type of business engaged in during the previous two years; and the name and address of the auctioneer who will conduct the sale. No such sale shall be conducted in the name of any person other than the bona fide owner of the merchandise.

The applicant shall attach to the application an itemized list of merchandise to be offered for sale reciting as to each item a description thereof including serial number if any, the owner's actual cost thereof, and a designation by number corresponding with a number to be affixed to each item by a tag which shall be kept fastened to the item at all times until sold.

Prior to the issuance of the license and approval of bond, the applicant shall in writing appoint the county auditor as the applicant's agent to accept service of process in any action commenced against the applicant arising out of the sale for which the license is sought. Such action shall be brought in the county where the sale was held.

Sec. 19. Minnesota Statutes 1987 Supplement, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who

subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

Sec. 20. [REPEALER.]

Minnesota Statutes 1986, section 297A.15, subdivision 2, is repealed.

Sec. 21. [TODD COUNTY.]

For purposes of the designation of distressed counties under Minnesota Statutes, section 297A.257, the city of Staples is deemed to be located entirely in Todd county.

Sec. 22. [EFFECTIVE DATE.]

Section 1, paragraph (c), is effective for all meals furnished on or after October 15, 1987. Sections 1, paragraphs (j) and (l), 8, 10 to 14, 16 and 19 are effective for retail sales made after June 30, 1988 except, as otherwise provided. Sections 2, and 4 to 6 and 20 are effective June 1, 1988. Section 18 is effective July 1, 1988. Sections 3 and 17 are effective for all refund claims filed after June 30, 1988. Section 7 and the provisions of section 11 exempting utility services purchased by governmental units and all purchases by the University of Minnesota hospitals are effective for all sales made after May 31, 1987, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before June 1, 1987, and delivery is made on or before December 31, 1987. Section 9 is effective for all sales made after June 30, 1988, but

does not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1988, and delivery is made on or before December 31, 1988. Section 15 is effective for sales made after December 31, 1988. Section 21 is effective beginning with the designation of distressed counties in calendar year 1987.

ARTICLE 12

CIGARETTE AND LIQUOR TAXES

Section 1. Minnesota Statutes 1987 Supplement, section 297.01, subdivision 7, is amended to read:

Subd. 7. "Distributor" means any and each of the following:

(1) any person engaged in the business of selling cigarettes in this state and who manufactures or who brings, or causes to be brought, into this state from without the state any packages of cigarettes for sale to subjobbers or retailers;

(2) any person who ~~makes, manufactures, or fabricates~~ cigarettes in this state for sale in this state;

(3) any person engaged in the business without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers;

(4) (3) any person who is on direct purchase from a cigarette manufacturer and applies cigarette stamps or indicia on at least 50 percent of cigarettes sold by that person.

A distributor who also sells at retail must maintain a separate inventory, substantiated with invoices for cigarettes that were acquired for retail sale.

A distributor may transfer another state's stamped cigarettes to another distributor for the purpose of resale in the other state.

Sec. 2. Minnesota Statutes 1987 Supplement, section 297.01, subdivision 14, is amended to read:

Subd. 14. "Subjobber" means any person who acquires stamped cigarettes or other state's stamped cigarettes for the primary purpose of resale to retailers, and any licensed distributor who delivers to and sells or distributes stamped cigarettes from a place of business other than that licensed in the distributor's license. The definition of subjobber does not include the occasional sale of stamped cigarettes from one retailer to another. Notwithstanding the foregoing, "subjobber" shall also mean any person who is a vending machine operator. A vending machine operator is any person whose principal business is operating, or owning and leasing to operators, machines for the vending of merchandise or service.

For the purpose of this section, any subjobber that sells at retail must maintain a separate inventory, substantiated with invoices, that reflect the cigarettes were acquired for retail sale.

Sec. 3. Minnesota Statutes 1986, section 297.01, is amended by adding a subdivision to read:

Subd. 15. "Prior continuous compliance taxpayer" means a person who is licensed under section 297.04 and who, having been a licensee for a continuous period of five years, the commissioner determines has not been either delinquent or deficient in the payment of tax liability during that period or otherwise in violation of this chapter. Any taxpayer who has, as verified by the commissioner, continuously complied with the condition of a bond or other security under provisions of this chapter for a period of five consecutive years is considered a "prior continuous compliance taxpayer." A continuous period of time of qualifying compliance immediately prior to August 1, 1988, is credited to any licensee who became licensed on or before that date.

Sec. 4. Minnesota Statutes 1986, section 297.03, is amended by adding a subdivision to read:

Subd. 5a. [REVOLVING ACCOUNT.] A heat applied cigarette tax stamp revolving account is created. The commissioner shall use the amounts in this fund to purchase heat applied stamps for resale. The commissioner shall charge the purchasers for the costs of the stamps along with the tax value plus shipping costs. The costs recovered along with shipping costs must be deposited into this revolving account and are available to the commissioner for further purchases and shipping costs. The revolving account must be funded by reducing the stamping discounts allowed in subdivision 5 for the first three months of fiscal year 1989. The stamping discounts are 0.75 percent of the face amount of any stamps purchased in the first three months for the first \$1,500,000 of the stamps and 0.50 percent on the remainder of the stamps purchased.

At the end of each of the first three months of fiscal year 1989, the commissioner shall notify the commissioner of finance of the amount of reduced stamping discounts that have accrued to the tobacco tax revenue fund. The commissioner of finance shall then transfer the amounts to the heat applied cigarette tax stamp revolving account from the tobacco tax revenue fund.

Sec. 5. Minnesota Statutes 1987 Supplement, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES.] (4) (a) Before January 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The

commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5, and ~~in that connection~~. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.

(2) (b) Before January 1, 1990, the commissioner may authorize, and after December 31, 1989, the commissioner shall require any person licensed as a distributor whose stamp meter machine is no longer operational to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner, and in that connection. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.

(3) (c) If the commissioner finds that a stamping machine is not printing or affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption continues for the taxpayer until the commissioner determines that the taxpayer (1) is delinquent in the filing of any return, or (2) is delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer is subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, is required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. A taxpayer who fails to pay an uncontested tax liability under this chapter may be required to post bond or other acceptable security with the commissioner guaranteeing the payment of the uncontested tax liability. The commissioner on an annual basis shall establish the maximum amount of heat applied

stamps or meter units that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return shall be paid with certified funds and will be based upon actual heat applied stamps or meter units purchased during the reporting period.

Sec. 6. Minnesota Statutes 1986, section 297.03, subdivision 12, is amended to read:

Subd. 12. [SETTING OF TAX METERS.] The commissioner may designate the county treasurer of any county or any banking institution as defined by section 48.01, or any banking institution as defined by any states' statutes as the representative of the commissioner in the setting of a tax meter machine of any particular distributor and the collection of the cigarette tax upon such setting. The county treasurer or banking institution so designated shall be required to set tax meter machines following the method prescribed by the commissioner of revenue and to transmit the amount of tax collected and to report the setting of each tax meter to the commissioner on or before the next business day. For purposes of this paragraph, a business day shall not include Saturday. Such duties shall be within the coverage of the official bond of the county treasurer. The commissioner shall prescribe the form and amount of a surety bond which shall be furnished by a banking institution designated pursuant to this subdivision. The commissioner shall have the right to withdraw this designation without cause.

Sec. 7. Minnesota Statutes 1986, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the ~~fifteenth~~ 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped. ~~The commissioner may also revoke this permission to maintain a stock of unstamped goods for sale to a specific Indian tribal organization when it appears that sales of unstamped cigarettes to persons who are not enrolled members of a recognized Indian tribe are taking place, or have taken place, within the exterior boundaries of the reservation occupied by that tribe.~~

Sec. 8. Minnesota Statutes 1986, section 297.06, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTOR TO KEEP RECORDS.] Every distributor shall keep at each licensed place of business complete and accurate records, for that place of business, including itemized invoices, of cigarettes held, purchased, manufactured, or brought in or caused to be brought in from without the state, and of all sales of cigarettes made, except sales to the ultimate consumer. These records shall show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all cigarettes on hand, and of all stamps, affixed and unaffixed, and other pertinent papers and documents relating to the purchase, sale, or disposition of cigarettes. When a licensed distributor sells cigarettes exclusively to the ultimate consumer at the address given in the license, no invoice of those sales shall be required, but itemized invoices shall be made of all cigarettes transferred to other retail outlets owned or controlled by that licensed distributor. All books, records, and other papers and documents required by sections 297.01 to 297.13 to be kept shall be preserved for a period of at least one year three years after the date of the documents, as aforesaid, or the date of the entries thereof appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours the commissioner, or duly authorized agents or employees, may enter any place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept under sections 297.01 to 297.13, and the packages of cigarettes and the vending devices contained therein, to determine whether or not all the provisions of these sections are being fully complied with. If the commissioner, or any such agent or employee, is denied free access or is hindered or interfered with in making such examination, the license of the distributor at such premises shall be subject to revocation by the commissioner.

Sec. 9. Minnesota Statutes 1986, section 297.06, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTOR TO PRESERVE COPIES OF INVOICES.] Every person who sells cigarettes to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, the purchaser's name and address, the date of sale, and all prices and discounts and shall preserve legible copies of all such invoices for one year three years from the date of sale.

Sec. 10. Minnesota Statutes 1986, section 297.06, subdivision 3, is amended to read:

Subd. 3. [RETAILER AND SUBJOBBER TO PRESERVE PURCHASE INVOICES.] Every retailer and subjobber shall procure

itemized invoices of all cigarettes purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase. Invoices shall be available for inspection by the commissioner or authorized agents or employees at the retailer's or subjobber's place of business.

At any time during normal business hours, the commissioner or the commissioner's agents may enter any place of business of a retailer or subjobber and inspect the premises, the records required to be kept for this subdivision, and the packages of cigarettes, tobacco products, and vending devices contained on the premises to determine whether all provisions of chapter 297 and sections 325D.30 to 325D.40 are being fully complied with.

Sec. 11. Minnesota Statutes 1986, section 297.06, is amended by adding a subdivision to read:

Subd. 4. [PHYSICAL INVENTORY.] The commissioner of revenue or the commissioner's authorized agents may, upon request but not more than twice annually, require a cigarette or tobacco distributor to furnish a physical inventory of all cigarettes in stock. The inventory must contain the information that the commissioner requests and must be certified by an officer of the corporation.

Sec. 12. Minnesota Statutes 1986, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp or imprint required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry

the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 13. Minnesota Statutes 1987 Supplement, section 297.11, subdivision 5, is amended to read:

Subd. 5. [TRANSPORTING UNSTAMPED PACKAGES.] No person shall transport into, or receive, carry, or move from place to place in this state, any packages of cigarettes not stamped in accordance with the provisions of this act except in the course of interstate commerce, unless the cigarettes are moving from a public warehouse to a distributor upon orders from the manufacturer or distributor. This subdivision shall not apply to a person carrying for personal use not more than 200 cigarettes when those cigarettes have had the individual packages or seals thereof broken and are intended for personal use by that person and not to be sold or offered for sale.

Common carriers and contract carriers transporting cigarettes into this state shall file with the commissioner reports of all such shipments other than those which are delivered to public warehouses of first destination in this state which are licensed under the provisions of chapter 231. Such reports shall be filed monthly on or before the 10th day of each month and shall show with respect to deliveries made in the preceding month: the date, point of origin, point of delivery, name of consignee, the quantity of cigarettes delivered and such other information as the commissioner may require.

All common carriers and contract carriers transporting cigarettes into Minnesota shall permit examination by the commissioner of their records relating to the shipment of cigarettes.

Any person who fails or refuses to transmit to the commissioner the required reports or whoever refuses to permit the examination of the records by the commissioner shall be guilty of a gross misdemeanor.

Sec. 14. Minnesota Statutes 1986, section 297.12, subdivision 1, is amended to read:

Subdivision 1. [FELONY.] (a) Any person violating section 297.11, subdivision 1, shall be guilty of a felony.

(b) Any person violating section 297.11, subdivisions 2 or 5 by possessing, receiving, or transporting more than 20,000 cigarettes not stamped in accordance with the provisions of sections 297.01 to 297.13 shall be guilty of a felony.

(c) A person selling cigarettes after the person's license has been revoked is guilty of a felony.

Sec. 15. Minnesota Statutes 1986, section 297.35, is amended by adding a subdivision to read:

Subd. 10. A manufacturer of tobacco products as defined by section 297.31, shall report on a form prescribed by the commissioner all sales of tobacco products to Minnesota-licensed distributors, subjobbers, retailers, or to any locations within the state. The report is due on the 18th of the month following the reporting period.

Anyone violating this section is guilty of a gross misdemeanor.

Sec. 16. [297.44] [TIME LIMITATIONS.]

Subdivision 1. [TIME FOR ASSESSMENT; NOTICE.] Except as otherwise provided in this chapter, the amount of taxes assessable with respect to a taxable period must be assessed within three years after the return for the period is filed. The taxes are considered assessed within the meaning of this section when the commissioner has prepared a notice of tax assessment and mailed it to the person required to file a return to the post office address given in the return. The record of the mailing is presumptive evidence of the giving of the notice, and the records must be preserved by the commissioner.

Subd. 2. [OMISSION OVER 25 PERCENT.] If the person required to file the return omits from the return a dollar amount properly includable in it that is in excess of 25 percent of the dollar amount reported in the return, the tax may be assessed, or a proceeding in court for the collection of such tax may be begun, at any time within five years after the return was filed.

Subd. 3. [DATE OF FILING.] For purposes of this section and section 297.36, a return filed before the last day prescribed by law for its filing is considered filed on the last day.

Subd. 4. [FRAUD; FAILURE TO FILE.] In the case of a false or fraudulent return with intent to evade tax or failure with the same intent to file a return, the tax may be assessed at any time, and a

proceeding in court for the collection of the tax must be begun within five years after the assessment.

Subd. 5. [COLLECTION.] Where the assessment of any tax is made within the period of limitation properly applicable to it, the tax may be collected by a proceeding in court, but only if begun within five years after the date of assessment.

Subd. 6. [SUSPENSION OF TIME; BANKRUPTCY PROCEEDINGS.] The time during which a tax must be assessed or collection proceedings commenced under this chapter is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after notice to the commissioner of revenue that the bankruptcy proceedings have been closed or dismissed, or that the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision applies to the person against whom the petition in bankruptcy is filed, and to all other persons who may be wholly or partially liable for the tax under this chapter.

Sec. 17. Minnesota Statutes 1986, section 297C.02, subdivision 3, is amended to read:

Subd. 3. [TAX CREDIT.] A qualified brewer producing fermented malt beverages is entitled to a tax credit of \$4 \$4.60 per barrel on 25,000 barrels sold in any fiscal year beginning July 1, regardless of the alcohol content of the product. Qualified brewers may take the credit on the 15th 18th day of each month, but the total credit allowed may not exceed in any fiscal year the lesser of (a) the liability for tax or (b) \$100,000 \$115,000.

For purposes of this subdivision, a "qualified brewer" means a brewer, whether or not located in this state, manufacturing less than 100,000 barrels of fermented malt beverages in the calendar year immediately preceding the calendar year for which the credit under this subdivision is claimed. In determining the number of barrels, all brands or labels of a brewer must be combined. All facilities for the manufacture of fermented malt beverages owned or controlled by the same person, corporation, or other entity must be treated as a single brewer.

Sec. 18. Minnesota Statutes 1986, section 297C.02, subdivision 4, is amended to read:

Subd. 4. [BOTTLE TAX.] A tax of one cent is imposed on each bottle or container of distilled spirits and wine. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.

The following are exempt from the tax:

- (1) miniatures of distilled spirits and wines;
- (2) containers of fermented malt beverage;
- (3) containers of intoxicating liquor or wine holding less than 200 milliliters;
- (4) containers of wine intended exclusively for sacramental purposes;
- (5) containers of alcoholic beverages sold to qualified, approved military clubs;
- (6) containers of alcoholic beverages sold to common carriers engaged in interstate commerce;
- (7) containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines;
- (8) containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states; and
- (9) containers of alcoholic beverages sold to other Minnesota wholesalers.

Sec. 19. Minnesota Statutes 1986, section 297C.03, is amended by adding a subdivision to read:

Subd. 6. [INFORMATIONAL RETURNS.] Manufacturers, wholesalers, and importers licensed to ship distilled spirits or wine into Minnesota shall file with the commissioner a monthly informational report on a form prescribed by the commissioner. No payment of any tax is required to be remitted with this report. The report must be filed on or before the tenth day following the end of each calendar month, regardless of whether or not any shipments were made into Minnesota during the previous month. A person failing to file this monthly report is subject to the provisions of section 297C.14, subdivision 8.

Sec. 20. Minnesota Statutes 1987 Supplement, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. The tax is imposed upon the first sale or importation made in this

state by a licensed brewer or importer. The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it.

Sec. 21. Minnesota Statutes 1986, section 297C.07, is amended to read:

297C.07 [EXCEPTIONS.]

The following are not subject to the excise tax:

(1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.

(2) Sales of wine for sacramental purposes under section 340A.316.

(3) Fruit juices naturally fermented or beer naturally brewed in the home for family use.

(4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.

(5) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this part, "manufacturer" means a manufacturer of food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.

(6) Sales to common carriers engaged in interstate transportation of passengers and qualified approved military clubs, except as provided in section 297C.17.

(7) Alcoholic beverages sold or transferred between Minnesota wholesalers.

(8) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the constitution or laws of the United States or under the constitution of Minnesota.

Sec. 22. [297C.17] [COMMON CARRIERS.]

Common carriers engaged in interstate transportation of passengers must file monthly reports together with the tax payment on the sale of alcoholic beverages sold within the state of Minnesota. The report and payment must be filed by the 18th day of the month following the month in which the sale took place. A common carrier is permitted to use a formula for the allocation of the total sales of alcoholic beverages between states on the basis of passenger miles in each state or some other method of allocation if written approval is received from the commissioner.

Sec. 23. [REPEALER.]

Minnesota Statutes 1986, section 297C.03, subdivision 5, is repealed.

Sec. 24. [EFFECTIVE DATE.]

This article is effective July 1, 1988, except section 17 is effective for barrels sold after June 1, 1987, and sections 3 and 5 are effective January 1, 1989.

ARTICLE 13

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and 20 percent of the buildings are structurally substandard and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; or

(3) less than 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements, but due to unusual terrain or soil deficiencies requiring substantial filling, grading, or other physical preparation for use at least 80 percent of the total acreage of such land has a fair market value upon inclusion in the redevelopment district which, when added to the estimated cost of preparing that land for development, excluding costs directly related to roads as defined in section 160.01 and local improvements as described in section 429.021, subdivision 1, clauses 1 to 7, 11 and 12, and 430.01, if any, exceeds its anticipated fair market value after completion of the preparation. No parcel shall be included within a redevelopment district pursuant to this paragraph unless the authority has concluded an agreement or agreements for the development of at least 50 percent of the acreage having the unusual soil or terrain deficiencies, which agreement provides recourse for the authority should the development not be completed the area consists of one or more parcels containing hazardous substances, pollutants or contaminants, as defined in section 115B.02, for which the pollution control agency has determined that removal or clean-up action is necessary and has taken action under section 115B.17 to request the responsible party to take action and has determined that the requested actions will not be taken by a known responsible party in the manner and within the time requested. Additional parcels may be added to the district if necessary to provide a site suitable for development or redevelopment. The parcels containing hazardous substances, pollutants or contaminants must comprise, at least, 75 percent of the district's total area and value; or

(4) the property consists of underutilized air rights existing over a public street, highway, or right-of-way; or

(5) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way; or

(6) the district consists of an existing or proposed industrial park no greater in size than 250 acres, which contains a sewage lagoon contaminated with polychlorinated biphenyls.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 2. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

(iii) sources of revenue to finance or otherwise pay public costs;

(iv) the most recent assessed value of taxable real property within the tax increment financing district;

(v) the estimated captured assessed value of the tax increment financing district at completion; and

(vi) the duration of the tax increment financing district's existence; and

(6) a statement of the authority's estimate of the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of the statement, the authority shall assume that the estimated captured assessed value would be available to the other taxing jurisdictions without creation of the district;

(7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and

(8) identification of all parcels to be included in the district.

Sec. 3. Minnesota Statutes 1987 Supplement, section 469.175, is amended by adding a subdivision to read:

Subd. 1a. [INCLUSION OF COUNTY ROAD COSTS.] (a) The county board may require the authority to pay all or a portion of the cost of county road improvements out of increment revenues, if the following conditions occur:

(1) the proposed tax increment financing plan or an amendment to the plan contemplates construction of a development that will, in the judgment of the county, substantially increase the usage of county roads requiring construction of road improvements or other road costs; and

(2) the road improvements or other road costs, in the opinion of the county, would not reasonably be expected to be needed within the reasonably foreseeable future if the tax increment financing plan were not implemented.

(b) If the county elects to use increments to finance the road improvements, the county must notify the authority and municipality within 30 days after receipt of the information on the proposed tax increment district under subdivision 2. The notice must include the estimated cost of the road improvements and schedule for construction and payment of the cost. The authority must include the improvements in the tax increment financing plan. The improvements may be financed with the proceeds of tax increment bonds or the authority and the county may agree that the county will finance the improvements with county funds to be repaid in installments, with or without interest, out of increment revenues. If the cost of the road improvements and other project costs exceed the projected amount of the increment revenues, the county and authority shall negotiate an agreement, modifying the development plan or proposed road improvements that will permit financing of the costs before the tax increment financing plan may be approved.

Sec. 4. Minnesota Statutes 1987 Supplement, section 469.175, 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 information on the fiscal and economic implications of the plan must be provided to the county and school district boards at least 30 days before the public hearing required by subdivision 3. The 30-day requirement is waived if the county and school district submit written comments on the proposal and any modification of the proposal to the authority after receipt of the information. 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 469.177, 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. The authority must also file with the commissioner a copy of the development plan for the project area.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original assessed value of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. This hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the

municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a mined underground space development district, a housing district, or an economic development district; if the proposed district is a redevelopment district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, clauses (a)(1) to (a)(6), shall be retained and made available to the public by the authority until the district has been terminated. If the authority files the statement of reasons and supporting facts along with the copies of the tax increment financing and development plans that are filed with the commissioner of trade and economic development under subdivision 2, the authority need not retain the statement of facts and supporting reasons beyond the end of the fifth calendar year following the year in which the district or the modifications to the district were approved.

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 4, is amended to read:

Subd. 4. [MODIFICATION OF PLAN.] (a) A tax increment financing plan may be modified by an authority, provided that any reduction or enlargement of geographic area of the project or tax increment financing district, increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on the debt if that determination was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized, increase in the portion of the captured assessed value to be retained by the authority, increase in total estimated tax increment expenditures or designation of additional property to be acquired by the authority shall be approved upon the notice and after the discussion, public hearing, and findings required for approval of the original plan; provided that if an authority changes the type of district from housing, redevelopment, or economic development to another type of district, this change shall not be considered a modification but shall require the authority to follow the procedure set forth in sections 469.174 to 469.179 for adoption of a new plan, including certification of the assessed valuation of the district by the county auditor. If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of section 469.174, subdivision 10, clauses (a)(1) to (a)(6), shall be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcels from the project or district and (2)(A) the current assessed value of the parcels eliminated from the district equals or exceeds the assessed value of those parcels in the district's original assessed value or (B) the authority agrees that, notwithstanding section 469.177, subdivision 1, the original assessed value will be reduced by no more than the current assessed value of the parcels eliminated from the district. The authority must notify the county auditor of any modification that reduces or enlarges the geographic area of a district or a project area.

(b) The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original assessed value by the county auditor or after August 1, 1984, for tax increment financing districts authorized prior to August 1, 1979, except that development districts created pursuant to Minnesota Statutes 1978, chapter 472A, prior to August 1, 1979, may be reduced but shall not be enlarged after five years following the date of designation of the district.

Sec. 7. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (f), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original assessed value of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority from a redevelopment district after 25 years from date of receipt by the authority of the first tax increment, after 25 years from the date of the receipt for a housing district, after 25 years from the date of the receipt for a mined underground space development district, and after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after August 1, 2004, or the term of a nondefeased bond outstanding on April 1, 1988, secured by increments from the district or project area, whichever time is greater, but in no case after 30 years from August 1, 1979.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

Sec. 8. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] (a) All

revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. Tax increments may be used to pay county road costs as provided in section 469.175, subdivision 1a. Revenue derived from tax increment from a mined underground space development district may be used only to pay for the costs of excavating and supporting the space, of providing public access to the mined underground space including roadways, and of installing utilities including fire sprinkler systems in the space.

(b) All of the increment revenues derived from a district, classified as a housing district, must be used to finance the cost of housing projects as defined in section 469.174, subdivision 11. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the authority may be included in the cost of a housing project. A mixed use project does not qualify as a housing project for purposes of this paragraph if the fair market value of the improvements which are constructed for commercial or other non-low and moderate income housing uses consists of more than 25 percent of the total fair market value of the planned improvements in the development plan or agreement. The fair market value of the improvements may be determined using the cost of construction, capitalized income, or other appropriate method of estimating market value.

(c) Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to

section 469.012, subdivisions 7 to 10, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (3) tax increments may not be used to finance an interest reduction program for owner-occupied single-family dwellings.

(e) (d) These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment from any district, whether certified before or after August 1, 1979, shall be used for the construction or, renovation, operation, or maintenance of a municipally owned building used, or for the acquisition of a building to be used, primarily and regularly for conducting the business of the a municipality, county, school district, or any other local unit of government or the state or federal government. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality.

Sec. 9. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 6, is amended to read:

Subd. 6. [ACTION REQUIRED.] (a) If, after four years from the date of certification of the original assessed value of the tax increment financing district pursuant to section 469.177, no demolition, rehabilitation, or renovation of property or other site preparation, including but excluding improvement of a street adjacent to a parcel but not and installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the original assessed value of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation, or renovation or other site preparation on that parcel including improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the county auditor shall certify the assessed value thereof as most recently certified by the commissioner of revenue and add it to the original assessed value of the tax increment financing district. The county auditor must enforce the provisions of

this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district.

(b) This subdivision applies to all tax increment projects and districts, whether created before or after August 1, 1979. The subdivision applies to projects and districts created before August 1, 1979, as follows. The four-year period is deemed to begin April 1, 1988. The authority must submit the evidence of activity or improvements for each parcel to the county auditor, as required by paragraph (a), by June 1, 1992. In the case of a district or a portion of a district for which no tax increment financing plan has been prepared, improvements are deemed to have been commenced "in accordance with the tax increment financing plan" when one of the following conditions is met, regardless of whether the condition or activity occurred before or after April 1, 1988:

(1) acquisition or improvement of the parcel was financed by the authority with increments, the proceeds of tax increment bonds or other authority funds, but excluding general city revenues or special assessments, after the inclusion of the parcel in the district;

(2) public improvements, excluding sewer and water improvements, were installed or constructed on the parcel or on land adjacent to the parcel after inclusion of the parcel in the district and the improvements were financed with increments, the proceeds of tax increment bonds or other authority funds, but excluding general city revenues or special assessments;

(3) construction of the improvements occurred on the parcel and the municipality passes a resolution stating that the improvements or other improvements of approximately equal (or greater) market value would not have occurred if the authority had not undertaken efforts of the type specified in clause (1) or (2) on other parcels in the district.

(c) In the case of tax increment projects for which certification was requested before August 1, 1979, and for which nondefeased bonds are outstanding on April 1, 1988, the provisions of paragraphs (a) and (b) apply as specified in this paragraph. Increments shall continue to be collected from parcels that fail to meet the requirements of paragraphs (a) and (b). The authority or other administering entity shall deposit these increments in a separate account in the debt service or other bond fund to defease bonds outstanding on April 1, 1988, for the project. The amount of funds in the separate account are pledged to payment of the bonds and for restoration of any reserve therefor, but may not be deducted from any other tax increments or other revenues derived from the project which are otherwise required to be deposited in the regular debt service fund

(including a reserve therefor) under the bond resolution, indenture, or other contract. When the sum of the amount in the regular debt service fund and the separate account are sufficient to fully defease the bonds outstanding on April 1, 1988, or when such bonds are fully defeased or paid by refunding or otherwise, increments may no longer be collected from a parcel that does not satisfy the requirements of paragraphs (a) and (b).

Sec. 10. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL ASSESSED VALUE.] Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original assessed value has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4. In the case of a mined underground space development district the county auditor shall certify the original assessed value as zero, plus the assessed value, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04. If property classified as agricultural land or vacant land under section 273.13, subdivision 23, is included within a tax increment district, the original assessed value of that property shall be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed. The amount to be added to the original assessed value of the district as a result of previously tax exempt real property within the district becoming taxable shall be equal to the assessed value of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the value assessed by the assessor at the time of the transfer. The amount to be added to the original assessed value of the district as a result of enlargements thereof shall be equal to the assessed value of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4. If the assessed value of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, the increase in assessed value must be added to the original assessed value. Each year the auditor shall also add to the original assessed value of each economic development district an amount equal to the original assessed value for the preceding year multiplied by the average percentage increase in the assessed valuation of all property in-

cluded in the economic development district during the five years prior to certification of the district. The amount to be subtracted from the original assessed value of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original assessed value initially attributed to the property becoming tax exempt or being removed from the district. If the assessed value of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original assessed value of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured assessed value of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

Sec. 11. Minnesota Statutes 1987 Supplement, section 469.177, is amended by adding a subdivision to read:

Subd. 1a. [ORIGINAL MILL RATE.] (a) At the time of the initial certification of the original assessed value for a tax increment financing district, the county auditor shall certify the original mill rate that applies to the district. The original mill rate is the sum of all the mill rates that apply to a property in the district for the taxes payable in the calendar year in which the initial certification of original assessed value is requested under subdivision 1. If the total mill rate applicable to properties in the tax increment financing district varies, the mill rate must be computed by determining the average total mill rate in the district, weighted on the basis of assessed value. The resulting mill rate is the original mill rate for the life of the district.

(b) In the case of districts certified during calendar year 1988, the original mill rate equals the amount calculated under paragraph (a) multiplied by 0.45.

Sec. 12. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 3, is amended to read:

Subd. 3. [TAX INCREMENT, RELATIONSHIP TO CHAPTER 473F.] (a) Unless the governing body elects pursuant to clause (b) the following method of computation shall apply:

(1) The original assessed value and the current assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original assessed value is equal to or greater than the current assessed value, there is no

captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district mill rates or (B) the original mill rate to the retained captured assessed value of the authority is the tax increment of the authority.

(b) The governing body may, by resolution approving the tax increment financing plan pursuant to section 469.175, subdivision 3, elect the following method of computation:

(1) The original assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current assessed value shall exclude any fiscal disparity commercial-industrial assessed value increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original assessed value is equal to or greater than the current assessed value, there is no captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the lesser of (A) the local taxing district mill rates or (B) the original mill rate to the retained captured assessed value of the authority is the tax increment of the authority.

(3) An election by the governing body pursuant to part (b) shall be submitted to the county auditor by the authority at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of tax increment applied to a district pursuant to clause (a) or (b) shall remain the same for the duration of the district.

Sec. 13. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 4, is amended to read:

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The authority shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1, or its notice of district enlargement pursuant to section 469.175, subdivision 4, with a listing of all properties within the tax increment financing district or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the tax increment financing plan by the municipality pursuant to section 469.175, subdivision 3. The county auditor shall increase the original assessed value of the district by the assessed valuation of the improvements each improvement for which a building permit was issued, excluding the assessed valuation of improvements for which a building permit was issued during the three-month period immediately preceding said approval of the tax increment financing plan, as certified by the assessor.

Sec. 14. Minnesota Statutes 1987 Supplement, section 469.177, is amended by adding a subdivision to read:

Subd. 9. [DISTRIBUTIONS OF EXCESS TAXES ON CAPTURED VALUE.] (a) If the amount of tax paid on captured value exceeds the amount of tax increment, the county auditor shall distribute the excess to the municipality, county, and school district as follows: each governmental unit's share of the excess equals

(1) the total amount of the excess for the tax increment financing district, multiplied by

(2) a fraction, the numerator of which is the current mill rate of the governmental unit less the governmental unit's mill rate for the year the original mill rate for the district was certified (in no case may this amount be less than zero) and the denominator of which is the sum of the numerators for the municipality, county, and school district.

If the entire increase in the mill rate is attributable to a taxing district, other than the municipality, county, or school district, then the excess must be distributed to the municipality, county, and school district in proportion to their respective mill rates.

(b) The amounts distributed shall be deducted in computing the levy limits of the taxing district for the succeeding taxable year.

(c) In the case of distributions to a school district, the county auditor shall report amounts distributed to the commissioner of education in the same manner as provided for excess increments under section 469.176, subdivision 2, and the distribution shall be treated as an excess increment for purposes of section 124.214, subdivision 3.

Sec. 15. Minnesota Statutes 1987 Supplement, section 469.177, is amended by adding a subdivision to read:

Subd. 10. [PAYMENT TO SCHOOL FOR REFERENDUM LEVY.] The provisions of this subdivision apply to tax increment financing districts and projects for which certification was requested before March 17, 1988, that are located in a school district in which the voters have approved new millage or an increase in millage after the tax increment financing district was certified (1) if there are no outstanding bonds on April 1, 1988, to which increment from the district is pledged, or (2) if the referendum is approved after April 1, 1988, and there are no bonds outstanding at the time the referendum is approved, that were issued on or before April 1, 1988, or (3) if the referendum increasing the mill rate was approved after the most recent issue of bonds to which increment from the district is pledged. If clause (1) or (2) applies, the authority must annually pay to the school district an amount of increment equal to the increment that is attributable to the increase in the mill rate under the referendum. If clause (3) applies, upon approval by a majority vote of the governing body of the municipality and the school board, the authority must pay to the school district an amount of increment equal to the increment that is attributable to the increase in the mill rate under the referendum. The amounts of these increments may be expended and must be treated by the school district in the same manner as provided for the revenues derived from the referendum levy approved by the voters.

Sec. 16. [BONDING AUTHORITY; HENNEPIN COUNTY MEDICAL BUILDING.]

Hennepin county may issue and sell not more than \$16,000,000 of general obligation bonds to finance or refinance the construction and purchase of the Hennepin county health services building. Issuance of the obligations is not subject to the election requirements of Minnesota Statutes, section 475.58.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 5; 8, paragraphs (a) and (b); and 10 to 14 are effective for districts for which the request for certification was filed with the county after March 17, 1988. Sections 6, 7, 9, and 15 are effective April 1, 1988, except section 9's exclusion of street improvements from qualification under Minnesota Statutes 1987 Supplement, section 469.176, subdivision 6, paragraph (a) is effective for districts

for which the request for certification was filed with the county after March 17, 1988. Section 8, paragraph (d), is effective for expenditures after June 30, 1988, except to the extent that the authority had entered into a binding contract before July 1, 1988, to make expenditures prohibited by that section. Notwithstanding the preceding, sections 7, 9, 11, 12, 13, and 15 do not apply to a district approved under Minnesota Statutes, section 469.175, subdivision 3, before December 31, 1988, if tax increments from the district are to be used to finance part of a hotel, parking facility, and conference center project for which requests for proposals were approved by the city council on June 22, 1987. Section 16 is effective upon compliance by the Hennepin county board with Minnesota Statutes, section 645.021.

ARTICLE 14

BUDGET RESERVE

Section 1. Minnesota Statutes 1987 Supplement, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4e, to 24 percent;

(2) the remainder (i) one-half to the greater Minnesota fund, but not to exceed \$120,000,000 and (ii) one-half the amount of the unrestricted balance to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000.

The amounts necessary to meet the requirements of clauses (1) and (2) this section are appropriated from the general fund.

Sec. 2. [APPROPRIATION REDUCTIONS.]

The appropriation from the general fund under Minnesota Statutes 1987 Supplement, section 16A.1541 (1) to reduce property tax recognition percent, (2) to the greater Minnesota fund, and (3) to the budget and cash flow reserve account that was made under the commissioner of finance's estimate of revenues and expenditures in January, 1988 is reduced to zero. The commissioner of finance shall

transfer any amounts transferred to the greater Minnesota fund under section 16A.1541 back to the general fund.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1988. Section 2 is effective the day following final enactment.

ARTICLE 15

MISCELLANEOUS

Section 1. Minnesota Statutes 1987 Supplement, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies and domestic mutual insurance companies, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. For insurers other than town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) principally writing workers' compensation insurance, and (ii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000, installments must be based on a sum equal to two percent of the premiums described in paragraph (b). (b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) principally writing workers' compensation insurance, and (ii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000, the installments must be based on an amount equal to one-half percent of the premiums described in paragraph (b).

(b) Installments under paragraph (a) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(c) Failure of a company to make payments of at least one-third of either (a) (1) the total tax paid during the previous calendar year or (b) (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section.

Sec. 2. Minnesota Statutes 1987 Supplement, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The amount for apportionment in respect to firefighter's state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 3. Minnesota Statutes 1986, section 69.031, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS.] There is hereby appropriated annually from the state general fund to the commissioner of revenue an amount sufficient to make the payments specified in this section and section 69.021 ~~not exceeding the tax collected.~~

Sec. 4. Minnesota Statutes 1987 Supplement, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 15 31, May 15 31, and November 15 30 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and

thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. [270.068] [TAX INFORMATION SAMPLE DATA.]

Subdivision 1. [PREPARATION OF SAMPLE.] The commissioner of revenue shall annually prepare a microdata sample of income tax returns and other information useful for purposes of (1) estimating state revenues, (2) simulating the effect of changes or proposed changes in state and federal tax law on the amount of state revenues, and (3) analyzing the incidence of present or proposed taxes.

Subd. 2. [COORDINATING COMMITTEE.] A coordinating committee is established to oversee and coordinate preparation of the microdata sample. The committee consists of (1) the director of the research division of the department of revenue who shall serve as chair of the committee, (2) the state economist, (3) the chair of the committee on taxes of the house of representatives or the chair's designee, and (4) the chair of the committee on taxes and tax laws of the senate or the chair's designee. The committee shall consider the analysis needs and use of the microdata sample by the finance and revenue departments and the legislature in designing and preparing the sample, including the type of data to be included, the structure of the sample, size of the sample, and other relevant factors.

Subd. 3. [CONTENTS OF SAMPLE.] The sample must consist of information derived from a random sample of federal and Minnesota individual income tax returns. The sample prepared in odd numbered years must be augmented by additional information from other sources as the coordinating committee determines is feasible and appropriate. The coordinating committee shall consider inclusion of (1) information derived from property tax refund returns, (2) the estimated market value of the taxpayer's home from the homestead declaration, and (3) information from other sources, such as the surveys conducted by the United States departments of commerce and labor.

Subd. 4. [CONSULTATION ON ANALYSIS MODELS.] The coordinating committee shall facilitate regular consultation among the department of revenue, the department of finance, and house and senate staffs in development and maintenance of their respective computer models used to analyze the microdata sample. The committee shall encourage efforts to attain more commonality in the models, greater sharing of program development efforts and programming tasks, and more consistency in the resulting analyses.

Sec. 6. Minnesota Statutes 1986, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, including any property in the possession of law enforcement officials, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.

Sec. 7. Minnesota Statutes 1986, section 271.01, subdivision 5, is amended to read:

Subd. 5. [JURISDICTION.] The tax court shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the tax court shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state, as defined in this subdivision, in those cases that have been appealed to the tax court and in any case that has been transferred by the district court to the tax court. The tax court shall have no jurisdiction in any case that does not arise under the tax laws of the state or in any criminal case or in any case determining or granting title to real property or in any case that is under the jurisdiction of the probate court. The small claims division of the tax court shall have no jurisdiction in any case dealing with property valuation or assessment for property tax purposes until the taxpayer has appealed the valuation or assessment to the town or city board of equalization and to the county board of equalization, except for those taxpayers whose original assessments are determined by the commissioner of revenue. The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of property. Only the taxes, aids and related matters contained in chapters 60A, 69, 124, 270, 272, 273, 274, 275, 276, 277, 278, 279, 285, 287, 288, 290, 290A, 291, 292, 293, 294, 295, 296, 297, 297A, 297B, 297C, 297D, 298, 299, 299F, 473, 473F, and 477A shall be considered tax laws of this state subject to the jurisdiction of the tax court. This subdivision shall not be construed to prevent an appeal, as provided by law, to an administrative agency, board of equalization, or to the commissioner of revenue. Wherever used in this chapter, the term commissioner shall mean the commissioner of revenue, unless otherwise specified.

Sec. 8. Minnesota Statutes 1986, section 287.21, is amended by adding a subdivision to read:

Subd. 4. [TAX-FORFEITED LAND.] Before a state deed for tax-forfeited land may be issued, the deed tax must be paid by purchasers of tax-forfeited land, persons who redeem tax-forfeited land, or local units of government that apply for use or purchase of tax-forfeited land.

Sec. 9. Minnesota Statutes 1987 Supplement, section 295.32, is amended to read:

295.32 [GROSS EARNINGS TAX; ANNUAL RETURN.]

Every telegraph company as defined in section 295.01, subdivision 9, shall file a return with the commissioner of revenue, in such form as the commissioner shall prescribe, containing a true and just report of its gross earnings derived from business within the state during the preceding calendar year, and make payment of the tax based upon the following percentages of such gross earnings:

for calendar years beginning before December 31, 1989, 6 percent,

for calendar year 1990, ~~4.5~~ 4 percent,

for calendar year 1991, ~~3~~ 2 percent,

~~for calendar year 1992, 1.5 percent, and~~

for calendar years beginning after December 31, ~~1992~~ 1991, exempt.

Such return and payment of the tax due therewith shall be submitted on or before March first of each year, and shall be in lieu of all ad valorem taxes upon the property of such company within the state for the year during which such gross earnings accrued. The provisions of chapter 294 and acts amendatory thereto, shall be applicable to such telegraph companies and to the returns and to the taxes submitted therewith by them.

Sec. 10. Minnesota Statutes 1987 Supplement, section 295.34, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 2 every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings, including long distance access charges, of the preceding calendar year derived from business within this state:

(a) for gross earnings from service to rural subscribers and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less

for calendar years beginning before December 31, 1988, 4 percent,

for calendar year 1989, 3 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of four percent,

for calendar year 1990, 1.5 percent,

for calendar year 1991, 1 percent, and

for calendar years beginning after December 31, 1991, exempt;
and

(b) for gross earnings derived from all other business

for calendar years beginning before December 31, 1988, 7 percent,

for calendar year 1989, 5.5 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of seven percent,

for calendar year 1990, 3 percent,

for calendar year 1991, 2.5 percent, and

for calendar years beginning after December 31, 1991, exempt.

A tax shall not be imposed on the gross earnings of a telephone company from business originating or terminating outside of Minnesota, except that the gross earnings tax is imposed on all long distance access charges allocated to interstate service received in payment from a telephone company before December 31, 1989.

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed beginning in 1989, payable in 1990, and sales and use taxes imposed as a result of chapter 297A. All money paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

(c) For the period January 1, 1984 through December 31, 1986, all money paid by a company for connecting fees and switching charges, including carriers access charges except that portion paid for directory assistance and billing and collection services, to any other company must be reported as earnings by the company to which

they are paid, but are not deemed to be earnings of the collecting and paying company.

Sec. 11. Minnesota Statutes 1986, section 297D.08, is amended to read:

297D.08 [TAX RATE.]

A tax is imposed on marijuana and controlled substances as defined in section 297D.01 at the following rates:

(1) on each gram of marijuana, or each portion of a gram, \$3.50; and

(2) on each gram of controlled substance, or portion of a gram, \$200; or

(3) on each ~~50~~ ten dosage units of a controlled substance that is not sold by weight, or portion thereof, ~~\$2,000~~ \$400.

Sec. 12. Minnesota Statutes 1987 Supplement, section 298.2213, subdivision 3, is amended to read:

Subd. 3. [USE OF MONEY.] The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest set by the Minnesota development board for comparable small business development loans at that time that is three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved.

Money appropriated in this section must be expended only in or for the benefit of the tax relief area defined in section 273.134, and as otherwise provided in this section.

Sec. 13. Minnesota Statutes 1986, section 298.223, is amended to read:

298.223 [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.]

Subdivision 1. [CREATION; PURPOSES.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within a tax relief area defined in section 273.134 that are adversely affected by the environmentally damaging oper-

ations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the iron range resources and rehabilitation board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works located within a tax relief area defined in section 273.134;

(d) monitoring of mineral industry related health problems among mining employees.

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

The commissioner may submit supplemental projects for approval at any time. Supplemental projects approved by the board must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 3. [APPROPRIATION.] There is hereby annually appropriated to the commissioner of iron range resources and rehabilitation

such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11 relating to the taconite environmental protection fund.

Sec. 14. [424A.10] [STATE SUPPLEMENTAL BENEFIT; VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "qualified recipient" means an individual who receives an involuntary lump sum distribution of pension or retirement benefits from a firefighters' relief association for service performed as a volunteer firefighter.

Subd. 2. [PAYMENT OF SUPPLEMENTAL BENEFIT.] Upon the payment by a firefighters' relief association of an involuntary lump sum distribution to a qualified recipient, the association must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association may pay the supplemental benefit out of its special fund. The amount of this benefit equals ten percent of the regular involuntary lump sum distribution that is paid on the basis of service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000.

Subd. 3. [STATE REIMBURSEMENT.] By February 15 of each year, the relief association shall apply to the commissioner of revenue for state reimbursement of the amount of supplemental benefits paid under subdivision 2 during the preceding calendar year. By March 15 the commissioner shall reimburse the relief association for the amount of the supplemental benefits paid to qualified recipients. The commissioner of revenue shall prescribe the form of and supporting information that must be supplied as part of the application for state reimbursement. The reimbursement payment must be deposited in the special fund of the relief association.

Subd. 4. [IN LIEU OF INCOME TAX EXCLUSION.] The supplemental benefit provided by this section is in lieu of the state income tax exclusion for involuntary lump sum distributions of retirement benefits paid to volunteer firefighters. If the law is modified to exclude or exempt volunteer firefighters' lump sum distributions from state income taxation, the supplemental benefits under this section may no longer be paid beginning with the first calendar year in which the exclusion or exemption is effective.

Sec. 15. Minnesota Statutes 1986, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) one-half of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

(b) one-half of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 16. Minnesota Statutes 1987 Supplement, section 508.25, is amended to read:

508.25 [RIGHTS OF PERSON HOLDING CERTIFICATE OF TITLE.]

Every person receiving a certificate of title pursuant to a decree of registration and every subsequent purchaser of registered land who receives a certificate of title in good faith and for a valuable consideration shall hold it free from all encumbrances and adverse claims, excepting only the estates, mortgages, liens, charges, and interests as may be noted in the last certificate of title in the office of the registrar, and also excepting any of the following rights or encumbrances subsisting against it, if any:

(1) Liens, claims, or rights arising or existing under the laws or the constitution of the United States, which this state cannot require to appear of record;

(2) The lien of any real property tax or special assessment for which the land has not been sold at the date of the certificate of title;

(3) Any lease for a period not exceeding three years when there is actual occupation of the premises thereunder;

(4) All rights in public highways upon the land;

(5) The right of appeal, or right to appear and contest the application, as is allowed by this chapter;

(6) The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;

(7) Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

(9) No existing or future liens or judgments, notwithstanding section 508.63, arising under the laws of this state for the nonpayment of any amounts due under chapter 268 or any tax administered by the commissioner of revenue may encumber title to lands registered under chapter 508 unless filed under the terms of chapter 508.

Sec. 17. [TEMPORARY PROVISION; RAILROAD AND BARGE FUEL.]

For purposes of the tax imposed under Minnesota Statutes, chapter 296 on railroad and barge fuels for the period from July 1, 1987 to June 30, 1988 the following provisions of chapter 296 apply and all section references are to Minnesota Statutes:

(1) Special fuels, as defined in section 296.01, subdivision 6, include fuels for propelling barges and trains.

(2) Bulk purchasers, as defined in section 296.01, subdivision 19, include persons receiving fuels for use in propelling a train or barge.

(3) Bulk purchasers may receive a credit against excise tax due for fuel not used in propelling trains or barges under section 296.12, subdivision 4.

(4) The provisions of section 296.18, subdivision 1, do not apply to fuels used in propelling trains or barges.

Sec. 18. [APPROPRIATION.]

\$300,000 is appropriated from the general fund for fiscal year 1989 to the commissioner of revenue to make the reimbursement payments to firefighters' relief associations under section 14.

Sec. 19. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 296.02, subdivisions 2a and 2b, 296.025, subdivisions 2a and 2b, and Laws 1987, chapter 268, article 3, section 11 are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 3 are effective January 1, 1988. Sections 4, 11, 15, and 19 are effective July 1, 1988. Section 8 is effective for all instruments recorded after May 31, 1987. Section 14 is effective for lump sums paid after December 31, 1987. Section 16 is effective retroactive to August 1, 1987. Section 17 is effective July 1, 1987. The remainder of the article is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; changing the computation, administration, and payment of aids, credits, and refunds; limiting taxing powers; transferring and imposing governmental powers and duties; making technical corrections and clarifications; providing bonding authority to Hennepin County; imposing penalties; appropriating money and reducing appropriations; amending Minnesota Statutes 1986, sections 69.031, subdivision 3; 168.011, subdivision 8; 168.012, subdivision 9; 237.075, subdivision 8; 240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 2, 3, and 6; 240.18; 270.075, subdivision 2; 270.41; 270.70, subdivision 1; 271.01, subdivision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.13, by adding a subdivision; 273.40; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding a subdivision; 290.06, by adding a subdivision; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.92, subdivision 21; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.02, subdivision 4; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivisions 5, 8, 27, and by adding subdivisions; 297A.256; 297C.02, subdivisions 3 and 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 375.83; 473.167, subdivisions 2, 3, and by adding subdivisions; 473.249, subdivision 1, and by adding a subdivision; 473.446, subdivision 3, and by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; 473.843, subdivision 2; 477A.011, subdivision 11, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124A.02, subdivisions 3a and 11; 240.13, subdivision 5; 270.485; 272.02, subdivision 1; 272.115, subdivision 4; 272.121; 273.061, subdivision 1; 273.1195; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.165, subdivision 2; 273.42, subdivision 2; 274.01, subdivision 1; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and 8; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01, subdivisions 3a, 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 1, 2c, and 21; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivi-

sion; 290.095, subdivisions 1, 3, and by adding a subdivision; 290.10; 290.17, subdivision 2; 290.191, subdivisions 6 and 11; 290.21, subdivisions 3 and 4; 290.35, subdivision 2; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 13, 14, and 15; 290A.04, subdivision 2; 290A.06; 295.32; 295.34, subdivision 1; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297B.03; 297C.04; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, 4, and by adding subdivisions; 473.446, subdivision 1; 475.53, subdivision 4; 475.61, subdivision 3; 477A.012, subdivision 1; and 508.25; Laws 1987, chapter 268, article 6, sections 19, 53, and 54; and article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 273; 275; 290; 290A; 297; 297C; 298; 349; and 424A; repealing Minnesota Statutes 1986, sections 240.15, subdivision 5; 272.64; 273.13, subdivisions 7a and 30; 275.035; 275.49; 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; 297A.15; subdivision 2; 297C.03, subdivision 5; 298.401; and 299.013; Minnesota Statutes 1987 Supplement, sections 273.1195; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290.06, subdivision 20; 290.077, subdivision 1; 290.14; 290.371, subdivision 2; 290A.04, subdivisions 2a and 2b; 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; Laws 1987, chapter 268, article 3, section 11; and article 5, section 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2590 was read for the second time.

Wynia pursuant to House Rule 5.10 announced that H. F. Nos. 2126, 2788, 1746, 2561 and 2685 meet the requirements of the House Budget Resolution.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 2126 and S. F. No. 1861.

The Speaker called Long to the Chair.

H. F. No. 2126 was reported to the House.

CALL OF THE HOUSE

On the motion of Forsythe and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, R.	Gruenes	McDonald	Ozment	Simoneau
Battaglia	Gutknecht	McEachern	Pappas	Skoglund
Bauerly	Hartle	McKasy	Pauly	Solberg
Beard	Haukoos	McLaughlin	Pelowski	Sparby
Bennett	Heap	McPherson	Poppenhagen	Stanius
Blatz	Himle	Milbert	Price	Steensma
Boo	Hugoson	Miller	Quinn	Sviggum
Brown	Jefferson	Minne	Quist	Thiede
Burger	Jensen	Morrison	Redalen	Tjornhom
Carlson, D.	Johnson, A.	Munger	Reding	Tompkins
Carruthers	Johnson, R.	Nelson, C.	Rest	Trimble
Clark	Johnson, V.	Nelson, K.	Rice	Tunheim
Cooper	Kalis	Neuenschwander	Richter	Uphus
Dauner	Kelso	O'Connor	Rodosovich	Valento
Dawkins	Kinkel	Ogren	Rose	Vellenga
DeBlieck	Kludt	Olsen, S.	Rukavina	Voss
Dempsey	Knickerbocker	Olson, E.	Sarna	Wagenius
DeRaad	Knuth	Olson, K.	Schafer	Waltman
Dille	Kostohryz	Omann	Scheid	Welle
Dorn	Larsen	Onnen	Schreiber	Wenzel
Forsythe	Lasley	Orenstein	Seaberg	Winter
Frederick	Lieder	Osthoff	Segal	
Frerichs	Marsh	Otis	Shaver	

Otis 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.

Forsythe moved to amend H. F. No. 2126, the second engrossment, as follows:

Page 121, delete lines 18 to 30

Renumber sections accordingly

A roll call was requested and properly seconded.

The question was taken on the Forsythe amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Bennett	Frederick	Knickerbocker	Pauly	Swiggum
Blatz	Frerichs	Marsh	Poppenhagen	Swenson
Boo	Gruenes	McDonald	Quist	Thiede
Burger	Gutknecht	McKasy	Redalen	Tjornhom
Carlson, D.	Hartle	McPherson	Richter	Tompkins
Clausnitzer	Haukoos	Miller	Rose	Uphus
Dauner	Heap	Morrison	Schafer	Valento
Dempsey	Himic	Olsen, S.	Schreiber	Waltman
DeRaad	Hugoson	Omamn	Seaberg	Welle
Dille	Jennings	Onnen	Shaver	
Forsythe	Johnson, V.	Ozment	Stanius	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lasley	Osthoff	Segal
Anderson, R.	Jaros	Lieder	Otis	Simoneau
Battaglia	Jefferson	Long	Pappas	Skoglund
Bauerly	Jensen	McEachern	Pelowski	Solberg
Beard	Johnson, A.	McLaughlin	Peterson	Sparby
Begich	Johnson, R.	Milbert	Price	Steensma
Bertram	Kahn	Murphy	Quinn	Trimble
Brown	Kalis	Nelson, C.	Reding	Tunheim
Carlson, L.	Kelly	Nelson, D.	Rest	Vellenga
Carruthers	Kinkel	Nelson, K.	Rice	Voss
Clark	Kludt	O'Connor	Riveness	Wagenius
Cooper	Knuth	Ogren	Rodosovich	Wenzel
DeBlick	Kostohryz	Olson, E.	Rukavina	Winter
Dorn	Krueger	Olson, K.	Sarna	Wynia
Greenfield	Larsen	Orenstein	Scheid	

The motion did not prevail and the amendment was not adopted.

Swiggum and Gruenes moved to amend H. F. No. 2126, the second engrossment, as follows:

Page 95, line 14, after "Sec. 108." delete the remainder of the line.

Page 95, delete lines 15 to 36

Page 96, delete lines 1 to 25 and insert "[AUTHORIZATION TO EXPAND WAIVERED SERVICES.]

Within the limits of available appropriations, the commissioner may increase the Title XIX waivered services program for the

mentally retarded and increase the semi-independent living services."

Page 98, delete lines 23 through 33

The motion did not prevail and the amendment was not adopted.

Greenfield moved to amend H. F. No. 2126, the second engrossment, as follows:

Page 53, after line 6, insert:

"Sec. 48. Minnesota Statutes 1987 Supplement, section 145A.06, is amended by adding a subdivision to read:

Subd. 5. [TECHNICAL ASSISTANCE.] The commissioner of health shall provide technical assistance to local boards of health for purposes of regulating or closing establishments which may constitute a public health nuisance and contribute to the transmission of a serious communicable disease."

Renumber sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Quist moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 39, after line 30, insert:

"Sec. 36. Minnesota Statutes 1986, section 144.12, is amended by adding a subdivision to read:

Subd. 4. [DEADLY INFECTIOUS DISEASES.] The commissioner shall prevent any business from facilitating sexual practices which transmit deadly infectious diseases."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after "subdivisions;" insert "144.12, by adding a subdivision;"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 76 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DeRaad	Johnson, V.	Olsen, S.	Shaver
Bauerly	Dille	Kalis	Olson, E.	Solberg
Bennett	Forsythe	Kelso	Omann	Sparby
Bertram	Frederick	Kinkel	Ommen	Stanius
Blatz	Frerichs	Knickerbocker	Ozment	Steensma
Boo	Gruenes	Kostohryz	Pauly	Sviggum
Brown	Gutknecht	Krueger	Pelowski	Swenson
Burger	Hartle	Marsh	Poppenhagen	Thiede
Carlson, D.	Haukoos	McDonald	Quist	Tjornhom
Carlson, L.	Heap	McEachern	Redalen	Tompkins
Carruthers	Himle	McKasy	Richter	Uphus
Clausnitzer	Hugoson	McPherson	Rose	Valento
Cooper	Jacobs	Milbert	Schafer	Waltman
DeBlicek	Jensen	Miller	Schreiber	Welle
Dempsey	Johnson, R.	Morrison	Seaberg	Wenzel
				Winter

Those who voted in the negative were:

Anderson, G.	Jennings	Munger	Peterson	Simoneau
Battaglia	Johnson, A.	Murphy	Price	Skoglund
Beard	Kahn	Nelson, C.	Quinn	Trimble
Begich	Kelly	Nelson, D.	Reding	Tunheim
Bishop	Kludd	Nelson, K.	Rest	Vellenga
Clark	Knuth	Neuenschwander	Rice	Voss
Dauner	Larsen	O'Connor	Riveness	Wagenius
Dawkins	Lasley	Ogren	Rodosovich	Wynia
Dorn	Lieder	Orenstein	Rukavina	Spk. Vanasek
Greenfield	Long	Osthoff	Sarna	
Jaros	McLaughlin	Otis	Scheid	
Jefferson	Minne	Pappas	Segal	

The motion prevailed and the amendment was adopted.

Quist offered an amendment to H. F. No. 2126, the second engrossment, as amended.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.9 that the Quist amendment was not in order. Speaker pro tempore Long ruled the point of order well taken and the amendment out of order.

Schreiber 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 Speaker pro tempore Long stand as the judgment of the House?" and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 81 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Larsen	Olson, E.	Scheid
Anderson, R.	Jaros	Lasley	Olson, K.	Segal
Battaglia	Jefferson	Lieder	Orenstein	Simoneau
Bauerly	Jennings	Long	Osthoff	Skoglund
Beard	Jensen	McEachern	Otis	Solberg
Begich	Johnson, A.	McLaughlin	Pappas	Sparby
Brown	Johnson, R.	Milbert	Pelowski	Steensma
Carlson, L.	Kahn	Minne	Peterson	Trimble
Carruthers	Kalis	Munger	Price	Tunheim
Clark	Kelly	Murphy	Quinn	Vellenga
Cooper	Kelso	Nelson, C.	Reding	Voss
Dauner	Kinkel	Nelson, D.	Rest	Wagenius
Dawkins	Kludt	Nelson, K.	Riveness	Welle
DeBlicck	Knuth	Neuenschwander	Rodosovich	Wenzel
Dorn	Kostohryz	O'Connor	Rukavina	Winter
Greenfield	Krueger	Ogren	Sarna	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Bennett	Frerichs	McDonald	Quist	Swenson
Blatz	Gruenes	McKasy	Redalen	Thiede
Boo	Gutknecht	McPherson	Richter	Tjornhom
Burger	Hartle	Miller	Rose	Tompkins
Clausnitzer	Haukoos	Morrison	Schafer	Uphus
Dempsey	Heap	Olsen, S.	Schreiber	Valento
DeRaad	Himle	Omann	Seaberg	Waltman
Dille	Hugoson	Onnen	Shaver	
Forsythe	Johnson, V.	Pauly	Stanius	
Frederick	Marsh	Poppenhagen	Sviggm	

So it was the judgment of the House that the decision of Speaker pro tempore Long should stand.

Stanius moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 223, delete lines 13 to 18

Page 223, line 19, delete "5" and insert "4"

Page 223, line 20, after "2" delete to the end of the line and insert "or 3, is"

The motion did not prevail and the amendment was not adopted.

Swiggum and Tompkins moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 2, line 47, delete "\$ (11,202,300)" and insert "\$ (12,852,300)"

Page 2, line 47, delete "\$21,842,700" and insert "\$23,492,700"

Page 3, line 3, delete "\$ (10,993,400)" and insert "\$ (12,583,400)"

Page 3, line 3, delete "\$22,371,100" and insert "\$24,021,100"

Page 3, line 11, delete "\$ (11,210,200)" and insert "\$ (12,860,200)"

Page 3, line 11, delete "\$16,589,700" and insert "\$18,239,500"

Page 3, line 16, delete "\$ 0" and insert "\$ (1,650,000)"

Page 4, after line 2, insert:

"Of the amount appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 2, \$1,650,000 is deducted in fiscal year 1989 from the amount allocated to the equalization aid program."

Page 4, line 24, delete "\$11,006,900" and insert "\$12,656,700"

Page 4, line 27, delete "\$ 9,388,100" and insert "\$13,582,700"

Page 6, line 26, delete "\$ 1,038,900" and insert "\$ (1,505,900)"

Page 149, line 6, delete "109" and insert "the" and after "median" insert "that approximates the 85th percentile"

Page 149, line 17, delete "125" and insert "the"

Page 149, line 18, after "median" insert "that approximates the 90th percentile"

Page 151, line 21, delete "32,571" and insert "33,298"

Page 151, line 22, delete "48,857" and insert "49,947"

Page 151, line 28, delete everything after "shall" and insert "establish a rental factor of at least 11.75"

Page 151, delete line 29

Page 151, line 30, delete "A, by 6.2"

Page 152, line 6, delete "95 percent of capacity days" and insert "an occupancy divisor two percentage points below the average statewide occupancy rate as determined by the Minnesota department of health"

Page 173, after line 30, insert:

"Sec. 177. Minnesota Statutes 1986, section 256D.051, is amended by adding a subdivision to read:

Subd. 4a. [TWO-MONTH ASSISTANCE.] The local agency shall terminate a registrant after two months in the work readiness program if the local agency determines that the 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 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. 178. Minnesota Statutes 1986, section 256D.051, is amended by adding a subdivision to read:

Subd. 5a. [SIX-MONTH ASSISTANCE.] 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 jobs and training 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."

Adjust the appropriations totals accordingly

Renumber remaining sections in sequence

The amount reduced on page 1, line 26, of this amendment should be deducted from FY 89 instead of FY 88

Adjust numbers accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Tompkins amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Bauerly	Forsythe	Kalis	Omann	Shaver
Bennett	Frederick	Kelso	Onnen	Sparby
Bertram	Frerichs	Knickerbocker	Ozment	Stanius
Bishop	Gruenes	Lieder	Pauly	Steensma
Boo	Gutknecht	Marsh	Poppenhagen	Sviggum
Burger	Hartle	McDonald	Quist	Swenson
Carlson, D.	Haukoos	McKasy	Redalen	Thiede
Dauner	Heap	McPherson	Richter	Tompkins
Dempsey	Himle	Miller	Rose	Uphus
DeRaad	Hugoson	Morrison	Schafer	Valento
Dille	Johnson, R.	Olsen, S.	Schreiber	Waltman
Dorn	Johnson, V.	Olson, K.	Seaberg	Wenzel

Those who voted in the negative were:

Anderson, G.	Blatz	Clark	DeBlieck	Jefferson
Battaglia	Brown	Clausnitzer	Greenfield	Jennings
Beard	Carlson, L.	Cooper	Jacobs	Jensen
Begeh	Carruthers	Dawkins	Jaros	Johnson, A.

Kahn	McEachern	Ogren	Reding	Solberg
Kelly	McLaughlin	Olson, E.	Rest	Trimble
Kinkel	Milbert	Orenstein	Rice	Tunheim
Kludt	Munger	Osthoff	Rodosovich	Vellenga
Knuth	Murphy	Otis	Rukavina	Voss
Kostohryz	Nelson, C.	Pappas	Sarna	Wagenius
Krueger	Nelson, D.	Pelowski	Scheid	Welle
Larsen	Nelson, K.	Peterson	Segal	Winter
Lasley	Neuenschwander	Price	Simoneau	Spk. Vanasek
Long	O'Connor	Quinn	Skoglund	

The motion did not prevail and the amendment was not adopted.

Thiede moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 223, after line 32, insert:

"Sec. 251. [TRUTH IN BUDGETING/DEFICIENCIES.]

The appropriation in article 1, section 2, subdivision 4, do not reflect the following financial requirements:

(a) \$16,402,000 in increased medical assistance costs due to the spending of the projected surplus which does not become a surplus until July 1, 1989:

(b) \$4,000,000 in expansion of the preadmission screening alternative care grants without additional appropriations:

(c) \$6,100,000 underfunding of nursing homes due to the extent that fifty-percent of the homes will experience a deficit and the industry will lose \$25,000,000 as a whole this year.

Sec. 252. [TRUTH IN BUDGETING/TIMEBOMBS.]

The appropriation in article 1, section 2, shifts the financial responsibility into the next biennium:

(a) \$17,200,000 by requiring the Commissioner of Human Services to establish an insurance program for the uninsured and to develop a plan to implement a program entitled Minnesota Health Access Plan:

(b) \$1,638,500 due to the lifting of the moratorium on ICF/MR certification of beds by certifying an additional 70 beds effective in 1990:

(c) \$15,176,100 in projected additional costs of the children's health plan for the next biennium.

Sec. 253. [TRUTH IN BUDGETING/RESOLUTION ADJUSTMENT.]

\$20,402,000 in the reallocation of projected surpluses in human services programs. As a result of this action, the 1988 House Budget shall be adjusted to \$321,637,000."

Renumber the remaining sections accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.9 that the Thiede amendment was not in order. Speaker pro tempore Long ruled the point of order not well taken and the amendment in order.

The question recurred on the Thiede amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bennett	Frederick	Knickerbocker	Ozment	Shaver
Blatz	Frerichs	Marsh	Pauly	Stanius
Boo	Gruenes	McDonald	Poppenhagen	Swiggum
Burger	Gutknecht	McKasy	Quist	Swenson
Carlson, D.	Hartle	McPherson	Redalen	Thiede
Clausnitzer	Haukoos	Miller	Richter	Tjornhom
Dempsey	Heap	Morrison	Rose	Tompkins
DeRaad	Himle	Olsen, S.	Schafer	Uphus
Dille	Hugoson	Omann	Schreiber	Valento
Forsythe	Johnson, V.	Onnen	Seaberg	Waltman

Those who voted in the negative were:

Anderson, G.	Dauner	Kahn	McEachern	Olson, K.
Anderson, R.	Dawkins	Kalis	McLaughlin	Orenstein
Battaglia	DeBlieck	Kelly	Milbert	Osthoff
Bauerly	Dorn	Kelso	Minne	Otis
Beard	Greenfield	Kinkel	Munger	Pappas
Begich	Jacobs	Kludt	Murphy	Pelowski
Bertram	Jaros	Knuth	Nelson, C.	Peterson
Brown	Jefferson	Kostohryz	Nelson, K.	Price
Carlson, L.	Jennings	Larsen	Neuenschwander	Quinn
Carruthers	Jensen	Lasley	O'Connor	Reding
Clark	Johnson, A.	Lieder	Ogren	Rest
Cooper	Johnson, R.	Long	Olson, E.	Rice

Rodosovich	Segal	Sparby	Vellenga	Wenzel
Rukavina	Simoneau	Steensma	Voss	Winter
Sarna	Skoglund	Trimble	Wagenius	Spk. Vanasek
Scheid	Solberg	Tunheim	Welle	

The motion did not prevail and the amendment was not adopted.

Stanis moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 3, line 11, delete "\$16,589,700" and insert "\$16,399,700"

Page 4, line 24, delete "\$11,006,900" and insert "\$10,816,900"

Page 4, line 27, delete "\$9,388,100" and insert "\$11,742,700"

Page 5, line 24, delete \$5,117,000" and insert "4,117,000"

Page 5, line 44, after the period insert:

"These positions shall be phased in within the amount appropriated for this purpose."

Page 6, after line 17, insert:

"Of the amount appropriated in FY 89 \$1,256,600 is for medical assistance payments to small rural hospitals."

Page 6, line 26, delete "\$1,038,900" and insert "(\$1,505,700)"

Page 6, after line 51, insert:

"Notwithstanding any law to the contrary, work readiness recipients shall be eligible only for two months of work readiness assistance. The FY 89 amount of \$2,544,600 appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 6(a) for the six month work readiness program is cancelled."

Page 7, line 49, delete "\$197,500" and insert "\$387,500"

Page 8, line 10, delete "\$197,500" and insert "\$387,500"

Page 8, after line 14, insert:

"Of this appropriation \$150,000 is available in FY 89 for sexual assault grants.

Of this appropriation \$40,000 is available in FY 89 for crime victim centers grants."

Page 124, line 36, delete "17" and insert "20"

Page 125, line 6, delete "7" and insert "10"

Page 125, line 9, delete "100" and insert "110"

Page 151, line 30, delete "6.2" and insert "8.0"

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called.

Minne moved that those not voting be excused from voting. The motion prevailed.

There were 52 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Knickerbocker	Ozment	Svigum
Bishop	Frederick	Marsh	Pauly	Swenson
Blatz	Frerichs	McDonald	Poppenhagen	Thiede
Boo	Gruenes	McKasy	Redalen	Tjornhom
Burger	Gutknecht	McPherson	Richter	Tompkins
Carlson, D.	Hartle	Miller	Rose	Uphus
Clausnitzer	Haukoos	Morrison	Schafer	Valento
DeBlieck	Heap	Olsen, S.	Schreiber	Waltman
Dempsey	Himle	Olson, K.	Seaberg	
DeRaad	Hugoson	Omann	Shaver	
Dille	Johnson, V.	Onnen	Stanius	

Those who voted in the negative were:

Anderson, G.	Dawkins	Kelso	Munger	Price
Anderson, R.	Dorn	Kinkel	Murphy	Quinn
Battaglia	Greenfield	Kludt	Nelson, C.	Reding
Bauerly	Jacobs	Knuth	Nelson, K.	Rest
Beard	Jaros	Kostohryz	Neuenschwander	Rodosovich
Begich	Jefferson	Larsen	O'Connor	Rukavina
Bertram	Jennings	Lasley	Ogren	Sarna
Brown	Jensen	Lieder	Olson, E.	Scheid
Carlson, L.	Johnson, A.	Long	Orenstein	Segal
Carruthers	Johnson, R.	McEachern	Osthoff	Simoneau
Clark	Kahn	McLaughlin	Pappas	Skoglund
Cooper	Kalis	Milbert	Pelowski	Solberg
Dauner	Kelly	Minne	Peterson	Sparby

Steensma
Trimble

Tunheim
Vellenga

Voss
Wagenius

Welle
Wenzel

Winter
Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Stanius moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 3, line 16, delete "\$1,345,200" and insert "\$3,889,800"

Page 4, after line 2, insert:

"Of this appropriation \$2,544,600 is for telecommunications access for communication-impaired persons."

Page 4, line 24, delete "\$11,006,900" and insert "\$8,462,300"

Page 6, line 26, delete "\$1,038,900" and insert "\$1,505,700"

Page 6, after line 51, insert:

"Notwithstanding any law to the contrary work readiness recipients shall be eligible for only two months of work readiness assistance. The FY 89 amount of \$2,544,600 appropriated in Laws 1987, chapter 403, article 1, section 2, subdivision 6(a) for the six month work readiness program is cancelled."

Page 59, after line 6, insert:

"Sec. 57. [TELECOMMUNICATION ACCESS.]

A general fund appropriation is provided for telecommunication access for communication-impaired persons. The appropriation may be used for:

(1) expenses incurred by the telecommunication access for communication-impaired persons board under Minnesota Statutes 1987 Supplement, Section 237.51 as necessary for program administration including personnel cost, public relations, board members' expenses, preparation of reports, and other reasonable expenses.

(2) reimbursing telephone companies for purchases made or services provided pursuant to section 237.53.

(3) contracting for establishment and operation of the message relay service required by section 237.54.

All costs directly associated with the establishment of the board and program, the purchase and distribution of communication devices, and the establishment and operation of the message relay service are either reimbursable or directly payable from the fund after authorization by the board."

Page 224, after line 5, insert:

"Subd. 3. Minnesota Statutes, 1987 Supplement, section 237.52 is repealed effective the day following final enactment."

Page 224, line 32, after "55" insert "57"

Renumber the remaining sections accordingly.

Correct internal references accordingly.

Amend the title accordingly.

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called.

Schreiber moved that those not voting be excused from voting. The motion did not prevail.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Kelso	Omann	Scheid
Bennett	Forsythe	Knickerbocker	Onnen	Schreiber
Bertram	Frederick	Kostohryz	Osthoff	Seaberg
Bishop	Frerichs	Marsh	Ozment	Shaver
Blatz	Gruenes	McDonald	Pauly	Stanius
Boo	Gutknecht	McEachern	Pelowski	Sviggum
Brown	Hartle	McKasy	Poppenhagen	Swenson
Burger	Haukoos	McPherson	Quist	Thiede
Carlson, D.	Heap	Miller	Redalen	Tjornhom
Clausnitzer	Himle	Morrison	Rest	Tompkins
Dempsey	Hugoson	Neuenschwander	Richter	Uphus
DeRaad	Jennings	Olsen, S.	Rose	Valento
Dille	Johnson, V.	Olson, K.	Schafer	Waltman

Those who voted in the negative were:

Anderson, G.	Jaros	Lieder	Peterson	Trimble
Battaglia	Jefferson	Long	Price	Tunheim
Bauerly	Jensen	McLaughlin	Quinn	Vellenga
Beard	Johnson, A.	Minne	Keding	Voss
Begich	Johnson, R.	Munger	Rice	Wagenius
Carlson, L.	Kahn	Murphy	Riveness	Welle
Carruthers	Kalis	Nelson, C.	Rodosovich	Wenzel
Clark	Kelly	Nelson, D.	Rukavina	Winter
Cooper	Kinkel	Nelson, K.	Sarna	Wynia
Dauner	Kludt	O'Connor	Segal	Spk. Vanasek
Dawkins	Knuth	Ogren	Skoglund	
DeBlieck	Krueger	Olson, E.	Solberg	
Greenfield	Larsen	Orenstein	Sparby	
Jacobs	Lasley	Pappas	Steensma	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Thiede moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 209, line 26 to page 210, line 27, delete section 226 from the bill

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Bennett	Frederick	Knickerbocker	Pauly	Shaver
Bishop	Frerichs	Marsh	Pelowski	Stanius
Blatz	Gruenes	McDonald	Poppenhagen	Sviggum
Boo	Gutknecht	McKasy	Quist	Thiede
Burger	Haukoos	McPherson	Redalen	Tjornhom
Carlson, D.	Heap	Miller	Reding	Tompkins
Clausmitzer	Himle	Morrison	Richter	Uphus
Dauner	Hugoson	Neuenschwander	Rose	Valento
Dempsey	Johnson, R.	Olsen, S.	Schafer	Waltman
DeRaad	Johnson, V.	Onnen	Schreiber	
Forsythe	Kludt	Ozment	Seaberg	

Those who voted in the negative were:

Anderson, G.	Begich	Clark	Greenfield	Jensen
Anderson, R.	Bertram	Cooper	Jacobs	Johnson, A.
Battaglia	Brown	Dawkins	Jaros	Kahn
Bauerly	Carlson, L.	DeBlieck	Jefferson	Kalis
Beard	Carruthers	Dorn	Jennings	Kelly

Kelso	McLaughlin	Olson, K.	Rukavina	Tunheim
Kinkel	Milbert	Orenstein	Sarna	Vellenga
Knuth	Minne	Osthoff	Scheid	Voss
Kostohryz	Munger	Pappas	Segal	Wagenius
Krueger	Murphy	Peterson	Skoglund	Welle
Larsen	Nelson, C.	Price	Solberg	Wenzel
Lasley	Nelson, K.	Quinn	Sparby	Winter
Lieder	O'Connor	Rest	Steensma	Wynia
Long	Ogren	Rice	Swenson	Spk. Vanasek
McEachern	Olson, E.	Rodosovich	Trimble	

The motion did not prevail and the amendment was not adopted.

Carlson, D., moved to amend H. F. No. 2126, the second engrossment, as amended, as follows:

Page 8, delete lines 47 to 50 and insert:

“\$200,000 is appropriated from the general fund to the commissioner of health for addiction and stress research grants under Minnesota Statutes, section 145.925.”

Page 9, delete lines 1 to 7

Page 53, after line 6, insert:

“Sec. 48. [145.925] [ADDICTION AND STRESS RESEARCH GRANTS.]

The commissioner shall award grants to hospitals, clinics, research or education institutions, or other persons or entities to study the neurobiological origins of stress, to develop therapies for stress-related medical disorders, to develop and test new therapy for addictive disorders, and to investigate ways to lower the costs of therapy for addictive disorders. The commissioner shall solicit and accept requests for grant money from potential grantees. The commissioner shall establish, by rule, criteria for selection of grantees and for the types of stress and addiction research projects that are funded under this section. The commissioner shall also establish, by rule, procedures for receiving and reviewing requests for proposals and for awarding grants.”

Page 54, delete lines 24 to 36

Delete pages 55 to 57

Page 58, delete lines 1 to 11

Page 221, delete lines 10 to 26

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 2, line 23, delete "152A;"

A roll call was requested and properly seconded.

The question was taken on the Carlson, D., amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Frerichs	Marsh	Ozment	Stanius
Bishop	Gruenes	McDonald	Pauly	Steensma
Boo	Gutknecht	McKasy	Poppenhagen	Swiggum
Burger	Hartle	McPherson	Quist	Swenson
Carlson, D.	Heap	Milbert	Redalen	Thiede
Clausnitzer	Himle	Miller	Richter	Tjornhom
Dempsey	Hugoson	Morrison	Rose	Tompkins
DeRaad	Jennings	Olsen, S.	Schafer	Uphus
Dille	Johnson, R.	Omann	Scheid	Valento
Forsythe	Johnson, V.	Onnen	Seaberg	Waltman
Frederick	Knickerbocker	Osthoff	Shaver	Wenzel

Those who voted in the negative were:

Anderson, G.	Dorn	Kostohryz	O'Connor	Rukavina
Anderson, R.	Greenfield	Krueger	Ogren	Sarna
Battaglia	Haukoos	Larsen	Olson, E.	Segal
Beard	Jacobs	Lasley	Olson, K.	Skoglund
Begich	Jaros	Lieder	Orenstein	Solberg
Bertram	Jefferson	Long	Otis	Sparby
Blatz	Jensen	McEachern	Pappas	Trimble
Brown	Johnson, A.	McLaughlin	Pelowski	Tunheim
Carlson, L.	Kahn	Minne	Peterson	Vellenga
Carruthers	Kalis	Munger	Price	Voss
Clark	Kelly	Murphy	Quinn	Wagenius
Cooper	Kelso	Nelson, C.	Reding	Welle
Dauner	Kinkel	Nelson, D.	Rest	Winter
Dawkins	Kludt	Nelson, K.	Rice	Wynia
DeBlieck	Knuth	Neuenschwander	Rodosovich	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

H. F. No. 2126, A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by

adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding a subdivision; 144.125; 144.50, by adding a subdivision; 144A.04, by adding a subdivision; 144A.08, by adding a subdivision; 145.43, subdivisions 1 and 1a; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023, subdivision 1; 252.291, subdivisions 1 and 2; 253B.03, by adding a subdivision; 253B.17, subdivision 1; 256.73, subdivisions 2 and 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.50, subdivision 1, and by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F.03, subdivision 8; 256F.07, by adding a subdivision; 257.071, subdivisions 2, 3, 6, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.86, by adding a subdivision; 268.91, subdivision 7; 268.911, subdivision 3; 326.371; 462.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; and 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivision 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; 144A.071, subdivision 3; 144A.073, subdivisions 1, 7, and 8; 145.43, subdivision 4; 145A.06, by adding a subdivision; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.01, subdivision 4; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivisions 2 and 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivisions 2b, 3, and 4; 256B.433, subdivision 1; 256B.50, subdivision 2; 256B.501, subdivision 1; 256B.73, subdivision 2; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; and 326.73; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, articles 1, section 4, subdivision 4; 2, section 34; and 4, section 13; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 153A; 157; 179A; 198; 245; 252; 256; 256B; 257; and 268; proposing coding for

new law as Minnesota Statutes, chapter 152A; repealing Minnesota Statutes 1986, sections 144.388; 153A.01; 153A.02; 153A.03; 153A.04; 153A.05; 153A.06; 153A.07; 153A.08; 153A.09; 153A.10; 153A.11; 153A.12; 245.84, subdivision 4; 245.86; 245.87; 246.023, subdivisions 2, 3, 4, and 5; 257.071, subdivision 6; and 268.061; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10.

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.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 111 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Knuth	Ogren	Schafer
Anderson, R.	Forsythe	Kostohryz	Olson, E.	Segal
Battaglia	Frederick	Krueger	Olson, K.	Skoglund
Bauerly	Greenfield	Larsen	Omamn	Solberg
Beard	Gruenes	Lasley	Onnen	Sparby
Begich	Hartle	Lieder	Orenstein	Steensma
Bennett	Heap	Long	Otis	Swiggum
Bertram	Jacobs	Marsh	Ozment	Swenson
Bishop	Jaros	McEachern	Pappas	Tjornhom
Boo	Jefferson	McKasy	Pauly	Tompkins
Brown	Jennings	McLaughlin	Pelowski	Trimble
Carlson, D.	Jensen	McPherson	Peterson	Tunheim
Carlson, L.	Johnson, A.	Milbert	Price	Uphus
Carruthers	Johnson, R.	Minne	Quinn	Valento
Clark	Johnson, V.	Morrison	Quist	Vellenga
Cooper	Kahn	Munger	Reding	Voss
Dauner	Kalis	Murphy	Rest	Wagenius
Dawkins	Kelly	Nelson, C.	Rice	Waltman
DeBlick	Kelso	Nelson, D.	Riveness	Welle
Dempsey	Kinkel	Nelson, K.	Rodosovich	Wenzel
DeRaad	Kludt	Neuenschwander	Rukavina	Winter
Dille	Knickerbocker	O'Connor	Sarna	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Blatz	Haukoos	Olsen, S.	Rose	Stanius
Burger	Himle	Osthoff	Scheid	Thiede
Clausnitzer	Hugoson	Poppenhagen	Schreiber	
Frerichs	McDonald	Redalen	Seaberg	
Gutknecht	Miller	Richter	Shaver	

The bill was passed, as amended, and its title agreed to.

Kludt was excused between the hours of 6:30 p.m. and 7:20 p.m.

S. F. No. 1861, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

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.

Krueger 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.	Forsythe	Kostohryz	Olson, K.	Schreiber
Anderson, R.	Frederick	Krueger	Omamn	Seaberg
Battaglia	Frerichs	Larsen	Onnen	Segal
Bauerly	Greenfield	Lasley	Orenstein	Shaver
Beard	Gruenes	Lieder	Osthoff	Skoglund
Begich	Gutknecht	Long	Otis	Solberg
Bennett	Hartle	Marsh	Ozment	Sparby
Bertram	Haukoos	McDonald	Pappas	Stanius
Bishop	Heap	McEachern	Pauly	Steenasma
Blatz	Himle	McKasy	Pelowski	Sviggum
Boo	Hugoson	McLaughlin	Peterson	Swenson
Brown	Jacobs	McPherson	Poppenhagen	Thiede
Burger	Jaros	Milbert	Price	Tjornhom
Carlson, D.	Jefferson	Miller	Quinn	Tompkins
Carlson, L.	Jennings	Minne	Quist	Trimble
Carruthers	Jensen	Morrison	Redalen	Tunheim
Clark	Johnson, A.	Munger	Reding	Uphus
Clausnitzer	Johnson, R.	Murphy	Rest	Valento
Cooper	Johnson, V.	Nelson, C.	Rice	Vellenga
Dauner	Kahn	Nelson, D.	Richter	Voss
Dawkins	Kalis	Nelson, K.	Riveness	Wagenius
DeBlick	Kelly	Neuenschwander	Rose	Waltman
Dempsey	Kelso	O'Connor	Rukavina	Welle
DeRaad	Kinkel	Ogren	Sarna	Wenzel
Dille	Knickerbocker	Olsen, S.	Schafer	Winter
Dorn	Knuth	Olsen, E.	Scheid	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

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. 2565.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2565, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

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, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2565 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the Rules of the House be so far suspended that S. F. No. 2565 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2565 was read for the second time.

S. F. No. 2565 was reported to the House.

Anderson, G., moved to amend S. F. No. 2565, as follows:

Delete everything after the enacting clause and insert:

**“AGRICULTURE, TRANSPORTATION, AND SEMI-STATE
ACTIVITIES**

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1988” and “1989,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
General	\$20,200	\$2,429,200	\$2,449,400
Trunk Highway	-0-	36,600	36,600
TOTAL	\$20,200	\$2,465,800	\$2,486,000

**APPROPRIATIONS
Available for the Year
Ending June 30**

1988	1989
\$	\$

**Sec. 2. TRANSPORTATION
REGULATION BOARD**

36,600

This appropriation is from the trunk highway fund and is added to the appropriation for the same purpose in Laws 1987, chapter 358, section 4. The approved complement of the transportation regulation board is increased by one position in fiscal year 1989.

Sec. 3. PUBLIC SAFETY

Disaster Assistance

1,948,000

	1988	1989
	\$	\$
<p>\$1,940,000 is available the day following final enactment to pay the state's share of the costs of damage to individual and public property that is eligible for payment assistance under the presidential declaration of a major disaster, FEMA-0797-DR. This appropriation is added to the appropriation for Emergency Services in Laws 1987, chapter 358, section 5, subdivision 3.</p>		

\$8,000 is for printing of driver's license renewal notice communications about organ donation. The department may accept materials or contributions from voluntary or other organizations to aid the organ donor program.

The approved complement of the department of public safety is increased by ten positions in the special revenue account for bureau of criminal apprehension laboratory activity.

Notwithstanding Minnesota Statutes, section 299A.22 or other law, the commissioner of finance shall transfer \$60,000 from the children's trust fund to the commissioner of human services for the purpose of providing additional training, screening, and certification of child protection workers. This money must be returned to the children's trust fund in ten equal installments, plus interest, payable on June 30 of each year. Interest must be based on the average earnings of the other state investments.

Sec. 4. AGRICULTURE

Oak Wilt Control	20,200	136,200
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This appropriation is added to the appropriation for oak wilt control in Laws 1987, chapter 358, section 7, subdivision 2. The approved complement of the department of agriculture is increased

1988

1989

\$

\$

by one position in fiscal year 1988 and two positions in fiscal year 1989. Of the amount in fiscal year 1989, \$74,000 and one position are for transfer to the department of natural resources for oak wilt control activity.

Sec. 5. MINNESOTA HISTORICAL SOCIETY

160,000

\$35,000 is for new exhibits and a film for the Lindbergh Interpretive Center at Little Falls, to be available until the project has been completed or abandoned.

\$50,000 is for a joint venture with the Hubert H. Humphrey Institute of Public Affairs for the purpose of converting certain audio-visual collections of the society into a form usable by the institute for exhibit purposes. The collection items to be converted will be selected by the institute with the society's prior approval.

\$50,000 is for a St. Anthony Falls heritage interpretive zone and heritage board.

\$25,000 is for a grant to the Southwest Regional Development Commission to conduct a detailed feasibility study and planning for a facility to be located on marked interstate highway No. 90 in Jackson, Rock, or Nobles county to be known as the Prairieland Expo Center. The purpose of the proposed center is to promote local attractions which have historical or historically related significance.

The Southwest Regional Development Commission shall submit a report to the legislature by February 15, 1989, on the results of the study and planning efforts.

Sec. 6. BOARD OF THE ARTS

175,000

	1988	1989
	\$	\$
This appropriation is to be distributed as follows:		

\$4,300 is for administration.

\$63,100 is for regional arts councils.

\$107,600 is for, on a prorated basis using the same percentages applied to the fiscal year 1988 distribution, the following groups:

Group I

Group II

Series Presentors

Artists in Education

Artist Assistance

A.C.C. Craft Fair

**Sec. 7. MILITARY ORDER OF
THE PURPLE HEART**

10,000

This appropriation is to assist veterans in the preparation and presentation of claims to the United States government for compensation and other benefits to which they are entitled as a result of disabilities incurred in military service.

**Sec. 8. CHARITABLE GAMBLING
CONTROL BOARD**

The approved complement of the charitable gambling control board is increased by six positions in the special revenue account.

	1988	1989
	\$	\$

The charitable gambling control board shall promulgate emergency rules to limit the amount charged for lease or rental of space used for charitable gambling purposes. The rules shall include, but not be limited to, a formula which assures a fair and equitable charge per square foot.

Sec. 9. [NONMETROPOLITAN TRANSIT.]

If the bill styled as H.F. No. 1749 is enacted into law by the 1988 Minnesota Legislature, part of the state funds provided by that bill shall be distributed as follows:

The sum of \$3,579,000 is appropriated from the transit assistance fund to the commissioner for nonmetropolitan transit assistance under chapter 174.

Sec. 10. [METROPOLITAN TRANSIT.]

If the bill styled as H.F. No. 1749 is enacted into law by the 1988 Minnesota Legislature, part of the state funds provided by that bill shall be distributed as follows:

The sum of \$14,200,000 is appropriated from the transit assistance fund for the following purposes:

<u>(1) Metro mobility</u>	<u>\$6,000,000</u>
<u>(2) Regular route service</u>	<u>1,500,000</u>
<u>(3) Social fares</u>	<u>700,000</u>
<u>(4) New service demonstrations</u>	<u>1,500,000</u>
<u>(5) Light rail transit</u>	<u>4,500,000</u>

The appropriations in clauses (1) to (4) are to the regional transit board.

By June 1 and December 1, 1988, as a condition of receiving payments from the appropriation in clause (1), the board shall submit a report on metro mobility to the chairs of the agriculture, transportation, and semi-states divisions of the house appropriations and senate finance committees and the chairs of the house metropolitan affairs and senate transportation committees, for their advisory comment and recommendation. The report must summa-

alize policies or plans of the board and performance statistics on: service standards, service priorities, complaints, certification, provider contracts, trip reimbursements, and social agency cost sharing. The report must also summarize changes and planned changes in communications, management, and administration.

The appropriation in clause (2) may be used only to replace reductions in federal operating assistance to the transit commission or, after replacing all such reductions, to improve regular route transit service levels.

The appropriation in clause (3) is available for expenditure only to reimburse a regular route provider for fare revenue lost if senior fares remain unchanged in a general restructuring of regular route fares.

Notwithstanding the provisions of Minnesota Statutes, section 174.32, the appropriation in clause (5) is to the commissioner of transportation for distribution to regional railroad authorities in the metropolitan area. The money must be distributed by the commissioner on a matching basis for planning, preliminary engineering, design, and construction of light rail transit facilities.

None of the funds appropriated may be expended by the commissioner for administrative costs.

Before distributing money to any recipient, the commissioner shall request review and comment on the use of the money from the metropolitan council and the regional transit board. The council and the board have 60 days to comment.

Sec. 11. [SPECIAL TOWN ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a special town road account, consisting of money credited under subdivision 2.

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1989, the first \$250,000 which would otherwise be credited to the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special town road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special town road account and provide for distribution of money in the fund among towns for the purpose of aiding in the maintenance of town roads which provide substantial access to a state park, state institution, or unit of the state outdoor recreation system as defined in Minnesota Statutes, section 86A.04.

The formula must give priority in the distribution of money in the fund to those towns maintaining town roads which provide access to a state park.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1 expires June 30, 1990. The state treasurer shall credit all undistributed money in the account on that date to the town road account in the county state-aid highway fund created under Minnesota Statutes, section 162.081.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1990.

Sec. 12. Laws 1987, chapter 358, section 2, subdivision 1, is amended to read:

Sec. 2. TRANSPORTATION

Subdivision 1. Total		
Appropriation		\$855,432,300 \$856,083,400
Approved		
Complement -	4,651	4,648
	<u>4,652</u>	<u>4,651</u>
General -	15	14
State Airports -	40	40
Trunk Highway -	4,580	4,580
	<u>4,581</u>	<u>4,581</u>
Federal -	16	16

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General	\$ 5,107,200	\$ 4,912,200
Airports	\$ 10,910,800	\$ 11,707,000
M.S.A.S.	\$ 58,750,000	\$ 59,250,000
C.S.A.H.	\$183,550,000	\$184,915,000
Trunk Highway	\$594,825,500	\$592,930,400
Transit Assistance Fund	\$ 1,420,000	\$ 1,500,000
Motor Vehicle Transfer	\$ 868,800	\$ 868,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Sec. 13. Laws 1987, chapter 358, section 2, subdivision 7, is amended to read:

Subd. 7. General Support Services 26,572,400 26,607,600

Summary by Fund

General	\$ 43,600	\$ 46,300
Airports	\$ 144,500	\$ 140,000
Trunk Highway	\$26,384,300	\$26,421,300

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Finance and Administration

\$8,556,600 \$8,530,500

(b) General Services

\$7,355,100 \$7,425,100

Summary by Fund

General	\$ 38,900	\$ 41,600
Airports	\$ 78,800	\$ 83,100
	<u>98,800</u>	<u>104,100</u>
Trunk Highway	\$7,237,400	\$7,300,400
	<u>7,217,400</u>	<u>7,279,400</u>

\$685,200 the first year and \$685,200 the second year are for data processing development. If the data processing development appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) Equipment

\$9,672,500 \$9,663,800

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$ 4,700	\$ 4,700
Airports	\$ 65,700	\$ 56,900
Trunk Highway	\$ 9,602,100	\$ 9,602,200

(d) Legal Services

\$988,200 \$988,200

This appropriation is for the purchase of legal services from or through the attorney general.

Sec. 14. [138.76] [PURPOSE.]

The legislature finds that the St. Anthony Falls area in Hennepin county and the city of Minneapolis has a concentration of outstanding and distinctive historical and architectural resources. There is a need to develop a comprehensive plan to interpret historical resources in that area to start the process of encouraging development of that area's historical resources. Sections 14 to 18 provide incentives for a joint board to develop and implement a comprehensive interpretive plan for the St. Anthony Falls area, complementing existing planning and development activities on the riverfront by using state, federal, and local funding for historic interpretation.

Sec. 15. [138.77] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 14 to 18.

Subd. 2. [BOARD.] "Board" means the St. Anthony Falls heritage board created in section 16.

Subd. 3. [CITY COUNCIL.] "City council" means the city council of the city of Minneapolis.

Subd. 4. [HERITAGE INTERPRETIVE ZONE; ZONE.] "Heritage interpretive zone" or "zone" means the land and water area including air rights that begins at the intersection of Second Street North and Plymouth Avenue, crossing the Mississippi River on Plymouth Avenue; thence along the east bank of the Mississippi River to Hennepin Avenue; thence northeasterly on Hennepin Avenue to

University Avenue; thence easterly on University Avenue to I 35W; thence southwesterly across the river to Second Street South; thence along Second Street South and Second Street North to the point of beginning.

Subd. 5. [MAYOR.] “Mayor” means the mayor of the city of Minneapolis.

Subd. 6. [PARK BOARD.] “Park board” means the park and recreation board of the city of Minneapolis.

Subd. 7. [PLAN.] “Plan” means a comprehensive interpretive plan for the heritage enterprise zone.

Subd. 8. [PRESERVATION COMMISSION.] “Preservation commission” means the heritage preservation commission of the city of Minneapolis.

Subd. 9. [PRESERVATION OFFICE.] “Preservation office” means the state historic preservation office.

Subd. 10. [SOCIETY.] “Society” means the Minnesota historical society.

Sec. 16. [138.78] [ST. ANTHONY FALLS HERITAGE BOARD.]

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ten members with the director of the Minnesota historical society as chair. The members include the mayor, two members each from the city council and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Subd. 2. [REPORT.] The board shall report its actions to the appropriate policy committees of the legislature in the first year of each biennium.

Subd. 3. [COMPREHENSIVE PLAN.] The board shall develop and make available to interested parties a comprehensive interpretive plan for interpretation of significant historical components in the zone. The plan must include, but is not limited to, significant historic and natural features such as the river, bridges, buildings, machinery that is part of the milling story, underground canals, stone paving, waterfall, railway components, and a heritage trail system that interlocks historic features of the zone. The plan must evaluate significant historic resources and interpretive options that will tell the story of the zone and its relationship to the city and the state.

Subd. 4. [GRANTS.] The board may make grants and shall establish procedures to evaluate plans submitted for grants.

Subd. 5. [COMPENSATION.] Board members may be compensated for expenses in accordance with section 15.0575, subdivision 3.

Sec. 17. [138.79] [GRANTS.]

The board may provide project assistance grants for the interpretation of historical resources that are a part of the plan. These grants must relate to a historical resource identified in the plan and may not exceed half of the cost of interpreting a specific historical resource.

Sec. 18. [138.80] [ZONE COORDINATOR.]

The Minnesota historical society is the coordinator of the heritage interpretive zone and has a responsibility for public education relating to the zone and for certification of all historical resources established in the plan. The society may use up to four percent of funds appropriated for sections 14 to 18 for coordination. The coordinator must be on the staff of the Minnesota historical society and shall serve as secretary to the board.

Sec. 19. [138.81] [MATCH.]

The city of Minneapolis and the park board shall provide match in money or in kind for the project under sections 14 to 18 on a dollar for dollar basis.

Sec. 20. Minnesota Statutes 1987 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any

money which the counties currently receive under section 260.311, subdivision 5; and

(3) 25 12½ percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account is appropriated to the commissioner of public safety and shall be divided as follows: ten percent for laboratory costs; 2½ percent for carrying out the provisions of section 299C.065. This money is provided in addition to any money which the bureau of criminal apprehension currently receives from other sources;

(4) 7½ percent shall be credited to a separate 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, 1988, on the expenditure of grant funds under this clause. Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs; and

(5) 5 percent shall be credited to a separate account to be known as the charitable gambling enforcement account. Money in this account is appropriated to the charitable gambling control board and is provided in addition to any money which the board currently receives from other sources.

Sec. 21. Minnesota Statutes 1986, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) A transit assistance fund is created for the purpose of receiving money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. Thirty percent of the money placed in the metropolitan account is available, upon appropriation by the legislature, only for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).

(b) The money appropriated for distribution to regional railroad authorities in the metropolitan area must be distributed by the commissioner for planning, preliminary engineering, design, and construction of light rail transit facilities. The recipient of a grant

must provide a 50 percent matching amount in cash. Before distributing money to any regional railroad authority, the commissioner shall request review and comment on the use of the money from the metropolitan council and the regional transit board. The council and the board have 60 days to comment.

Sec. 22. Minnesota Statutes 1987 Supplement, section 473.17, is amended to read:

473.17 [COOPERATION IN LIGHT RAIL TRANSIT.]

Notwithstanding section 473.398, the metropolitan council may and the regional transit board shall cooperate with regional rail authorities in the study, planning, and design of regional rail authority light rail transit systems, and the metropolitan transit commission may shall cooperate with regional rail authorities in the operational planning and operation of regional rail authority light rail transit systems.

Sec. 23. Minnesota Statutes 1986, section 473.386, is amended by adding a subdivision to read:

Subd. 8. [COST SHARING.] The board may establish policies requiring financial participation by institutions or organizations that derive special benefits from services provided under this section.

Sec. 24. Minnesota Statutes 1986, section 611A.71, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota crime victim and witness advisory council is established and shall consist of ~~12~~ 15 members.

Sec. 25. Minnesota Statutes 1986, section 611A.71, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] Each member of the council shall serve without compensation. However, members of the council shall receive expenses in the same manner and amount as provided in the commissioner's plan under section 43A.18, subdivision 2; provided that payments for expenses incurred must be paid from the existing appropriation for the administrative portion of the operating budget for the crime victims reparations activity.

Sec. 26. [REPEALER.]

Sections 14 to 19 are repealed, effective July 1, 1997.

Sec. 27. [EFFECTIVE DATE.]

Sections 10, 12, and 13, are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; providing for certain funds, accounts, and fees; amending Minnesota Statutes 1986, sections 174.32, subdivision 2; 473.386, by adding a subdivision; and 611A.71, subdivisions 1 and 4; Minnesota Statutes 1987 Supplement, sections 171.29, subdivision 2; and 473.17; Laws 1987, chapter 358, section 2, subdivisions 1 and 7; proposing coding for new law in Minnesota Statutes, chapter 138."

The motion prevailed and the amendment was adopted.

Vellenga moved to amend S. F. No. 2565, as amended, as follows:

Page 12, line 30, after the period insert "The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications."

Page 12, line 33, delete "use of the money" and insert "applications"

Page 12, line 35, after the period insert "The commissioner shall consider the comments of the council and the board in evaluating applications and the distribution of funds."

The motion prevailed and the amendment was adopted.

Vellenga moved to amend S. F. No. 2565, as amended, as follows:

Page 12, line 35, after the period insert "Before distributing any funds for construction, the commissioner shall report to the legislature on the use and appropriate distribution of construction funds."

The motion prevailed and the amendment was adopted.

Johnson, V., and Carlson, D., moved to amend S. F. No. 2565, as amended, as follows:

Page 4, after line 29, add a section to read:

“Sec. 9. [HIGHWAYS.]

If the bill styled as H. F. No. 1749 is enacted into law by the 1988 Minnesota legislature, part of the funds provided by that bill shall be distributed as follows:

(1) The sum of \$77,378,000 is appropriated from the trunk highway fund for highway development.

(2) The sum of \$37,242,100 is appropriated from the county state-aid highway fund for county state-aid highways.

(3) The sum of \$11,197,700 is appropriated from the municipal state-aid street fund for municipal state-aid streets.

These appropriations are to the commissioner of transportation.”

Renumber the remaining sections

Page 13, line 33, delete “10, 12, and 13” and insert “9, 11, 13 and 14”

A roll call was requested and properly seconded.

The question was taken on the Johnson, V., and Carlson, D., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett	Dorn	Jennings	Onnen	Shaver
Bishop	Forsythe	Johnson, V.	Ozment	Stanius
Blatz	Frederick	Knickerbocker	Pauly	Sviggum
Boo	Frerichs	Marsh	Poppenhagen	Swenson
Burger	Gruenes	McDonald	Quist	Thiede
Carlson, D.	Gutknecht	McKasy	Redalen	Tjornhom
Clausnitzer	Hartle	McPherson	Richter	Tompkins
DeBlieck	Haukoos	Miller	Rose	Uphus
Dempsey	Heap	Morrison	Schafer	Valento
DeRaad	Himle	Olson, E.	Schreiber	Waltman
Dille	Hugoson	Omann	Seaberg	Wenzel

Those who voted in the negative were:

Anderson, G.	Begich	Clark	Jacobs	Johnson, R.
Anderson, R.	Bertram	Cooper	Jaros	Kahn
Battaglia	Brown	Dauner	Jefferson	Kalis
Bauerly	Carlson, L.	Dawkins	Jensen	Kelly
Bear	Carruthers	Greenfield	Johnson, A.	Kelso

Kinkel	Minne	Orenstein	Riveness	Trimble
Knuth	Munger	Osthoff	Rodosovich	Tunheim
Kostohryz	Murphy	Otis	Rukavina	Vellenga
Krueger	Nelson, C.	Pappas	Sarna	Voss
Larsen	Nelson, D.	Pelowski	Scheid	Wagenius
Lasley	Nelson, K.	Peterson	Segal	Welle
Lieder	Neuenschwander	Price	Simoneau	Winter
Long	O'Connor	Quinn	Skoglund	Wynia
McEachern	Ogren	Reding	Solberg	Spk. Vanasek
McLaughlin	Olson, S.	Rest	Sparby	
Milbert	Olson, K.	Rice	Steensma	

The motion did not prevail and the amendment was not adopted.

Welle was excused between the hours of 7:15 p.m. and 10:10 p.m.

The Speaker called Long to the Chair.

Osthoff moved to amend S. F. No. 2565, as amended, as follows:

Page 13, after line 15, insert:

"Sec. 24. [473.4051] [LIGHT RAIL TRANSIT OPERATION.]

The transit commission shall assume operational responsibility for light rail transit upon completion of construction of a light rail transit facility or route by a regional rail authority established under chapter 398A or any other political subdivision in the metropolitan area. The commission is responsible for the operation of the passenger service and the operation, improvement, and maintenance of the right of way, track, rolling stock, bridges and tunnels, power and distribution systems, stations, signals and communication, fare collection equipment, and other facilities necessary for the operation of light rail transit. Upon the commission's assumption of operational responsibility for any light rail transit facility or routes, the ownership of fixed facilities and rolling stock must be transferred to the commission, along with all authority necessary to operate, maintain, and improve the transit facilities. Any permanent or temporary right, title, or interest in or to land, including easements or development rights, remains with the regional rail authority or other political subdivision. The commission may enter into agreements with other entities, public or private, for services necessary for the operation of light rail transit.

Re-number the remaining sections

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Nelson, K., moved to amend the Osthoff amendment to S. F. No. 2565, as amended, as follows:

Page 1, line 20, after the period, delete "The"

Page 1, delete lines 21 to 36

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Osthoff amendment, as amended, and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 85 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Lieder	Osthoff	Scheid
Anderson, R.	Jacobs	Long	Otis	Segal
Battaglia	Jaros	McEachern	Ozment	Simoneau
Beard	Jefferson	McLaughlin	Pappas	Skoglund
Begich	Jensen	Milbert	Pelowski	Solberg
Bennett	Johnson, A.	Minne	Peterson	Stanius
Bertram	Johnson, R.	Morrison	Poppenhagen	Steenasma
Bishop	Kahn	Munger	Price	Trimble
Blatz	Kelly	Murphy	Quinn	Tunheim
Brown	Kelso	Nelson, C.	Reding	Uphus
Carlson, L.	Kinkel	Nelson, D.	Rest	Vellenga
Carruthers	Kludt	Nelson, K.	Rice	Voss
Clark	Knuth	O'Connor	Riveness	Wagenius
Cooper	Kostohryz	Ogren	Rodosovich	Waltman
Dauner	Krueger	Olsen, S.	Rose	Wenzel
Dawkins	Larsen	Olson, E.	Rukavina	Winter
DeBlicke	Lasley	Orenstein	Sarna	Spk. Vanasek

Those who voted in the negative were:

Bauerly	Forsythe	Hugoson	Olson, K.	Seaberg
Boo	Frederick	Johnson, V.	Omann	Shaver
Burger	Frerichs	Kalis	Onnen	Sviggum
Carlson, D.	Gruenes	Knickerbocker	Pauly	Swenson
Clausnitzer	Gutknecht	Marsh	Quist	Thiede
Dempsey	Hartle	McDonald	Redalen	Valento
DeRaad	Haukoos	McKasy	Richter	
Dille	Heap	McPherson	Schafer	
Dorn	Himle	Miller	Schreiber	

The motion prevailed and the amendment, as amended, was adopted.

Redalen moved to amend S. F. No. 2565, as amended, as follows:

Page 3, after line 13, insert:

“Sec. 5. [APPROPRIATION REDUCTION.]

The general fund appropriations in Laws 1987, chapter 358, section 7, are reduced in the fiscal year indicated by the listed amounts:

	1988	1989
AGRICULTURE	(\$18,750)	(\$75,000)

The commissioner of agriculture shall implement this appropriation reduction by maintaining a vacancy in the position of deputy commissioner to the department throughout the remainder of the biennium.”

Renumber accordingly

Correct internal references accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Redalen amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Dille	Jennings	Ozment	Stanius
Bertram	Forsythe	Johnson, V.	Pauly	Sviggum
Bishop	Frederick	Knickerbocker	Poppenhagen	Swenson
Blatz	Frerichs	Marsh	Quist	Thiede
Boo	Gruenes	McDonald	Redalen	Tjornhom
Burger	Gutknecht	McKasy	Richter	Tompkins
Carlson, D.	Hartle	McPherson	Rose	Uphus
Clausnitzer	Haukoos	Miller	Schafer	Valento
Dauner	Heap	Morrison	Schreiber	Waltman
Dempsey	Himle	Omann	Seaberg	Wenzel
DeRaad	Hugoson	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Jacobs	Larsen	Ogren	Rukavina
Anderson, R.	Jaros	Lasley	Olson, E.	Sarna
Battaglia	Jefferson	Lieder	Olson, K.	Scheid
Bauerly	Jensen	Long	Orenstein	Segal
Beard	Johnson, A.	McEachern	Osthoff	Simoneau
Begich	Johnson, R.	McLaughlin	Otis	Skoglund
Brown	Kahn	Milbert	Pappas	Solberg
Carlson, L.	Kalis	Minne	Pelowski	Sparby
Carruthers	Kelly	Munger	Peterson	Steensma
Clark	Kelso	Murphy	Price	Trimble
Cooper	Kinkel	Nelson, C.	Quinn	Tunheim
Dawkins	Kludt	Nelson, D.	Reding	Vellenga
DeBlieck	Knuth	Nelson, K.	Rest	Voss
Dorn	Kostohryz	Neuschwander	Rice	Winter
Greenfield	Krueger	O'Connor	Rodosovich	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Carlson, D., moved to amend S. F. No. 2565, as amended, as follows:

Page 8, after line 24, insert:

“Sec. 14. [APPROPRIATION REDUCTION.]

The general fund appropriations in Laws 1987, chapter 358, section 2, are reduced in the fiscal year indicated by the listed amounts:

	1988	1989
TRANSPORTATION	(\$40,873)	(\$0-)

The commissioner of transportation shall implement this appropriation reduction by restoring to the general fund an amount equal to any amount of general fund source funding encumbered under “sole source” contracts for consultant and legal-related services relating to highway finance options which remained unliquidated when the department’s efforts under those contracts were “discontinued” by the department in February of 1988. If that amount is insufficient to implement the entire reduction, the commissioner shall reduce the commissioner’s compensation and travel budget for the biennium in an amount sufficient to make the reduction complete. The commissioner’s implementation of this reduction may not cause the suspension or elimination of any activity funded from the trunk highway fund, nor cause a reduction in the trunk highway fund balance.

Sec. 15. [TRUNK HIGHWAY FUND; LIMITATION ON USE BY COMMISSIONER.]

Under no circumstances may the commissioner authorize an expenditure from the trunk highway fund for services to be provided by a "sole source" vendor if the vendor also administers funds for political action groups or if any partner or officer of the vendor has contributed in excess of \$200 to any single political candidate unless notice of intent to let the contract was actually published in some statewide publication at least three weeks prior to the contract being let."

Renumber accordingly

Correct internal references accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carlson, D., amendment and the roll was called.

Riveness moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Knickerbocker	Olson, K.	Schafer
Bennett	Frerichs	Knuth	Omann	Schreiber
Bishop	Gruenes	Larsen	Onnen	Seaberg
Blatz	Gutknecht	Long	Ozment	Shaver
Boo	Hartle	Marsh	Pauly	Stanius
Burger	Haukoos	McDonald	Pelowski	Sviggum
Carlson, D.	Heap	McKasy	Poppenhagen	Swenson
Clausnitzer	Himle	McPherson	Quist	Thiede
Dauner	Hugoson	Miller	Redalen	Tjornhom
Dempsey	Jennings	Morrison	Rest	Tompkins
DeRaad	Johnson, R.	Nelson, D.	Richter	Uphus
Dille	Johnson, V.	Neuenschwander	Rodosovich	Valento
Dorn	Kludt	Olson, E.	Rose	Waltman

Those who voted in the negative were:

Anderson, G.	DeBlieck	Kostohryz	O'Connor	Rukavina
Battaglia	Greenfield	Krueger	Ogren	Sarna
Bauerly	Jacobs	Lasley	Orenstein	Scheid
Beard	Jaros	Lieder	Osthoff	Segal
Begich	Jefferson	McEachern	Otis	Simoneau
Bertram	Jensen	McLaughlin	Pappas	Skoglund
Brown	Johnson, A.	Milbert	Peterson	Solberg
Carlson, L.	Kahn	Minne	Price	Sparby
Carruthers	Kalis	Munger	Quinn	Steensma
Clark	Kelly	Murphy	Reding	Trimble
Cooper	Kelso	Nelson, C.	Rice	Tunheim
Dawkins	Kinkel	Nelson, K.	Riveness	Vellenga

Voss
Wagenius

Wenzel
Winter

Wynia
Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Riveness moved to amend S. F. No. 2565, as amended, as follows:

Page 12, after line 35, insert:

"Sec. 22. Minnesota Statutes 1987 Supplement, section 473.169, subdivision 7, is amended to read:

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, a regional rail authority established under chapter 398A must submit preliminary and final design plans to the metropolitan council. The council must review the plans for consistency with the council's development guide and comment on approve or disapprove the plans. The proposer of the facility may not proceed with construction of the facility without the approval of the council."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Riveness amendment and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Larsen	Otis	Shaver
Bennett	Gutknecht	Long	Ozment	Skoglund
Bishop	Hartle	Marsh	Pappas	Stanisus
Blatz	Haukoos	McDonald	Pauly	Sviggum
Boo	Heap	McKasy	Pelowski	Swenson
Burger	Himle	McPherson	Poppenhagen	Thiede
Carlson, D.	Hugoson	Miller	Quist	Tjornhom
Clausnitzer	Jacobs	Morrison	Redalen	Tompkins
Dempsey	Jennings	Nelson, D.	Richter	Trimble
DeRaad	Johnson, V.	Neuenschwander	Riveness	Uphus
Dille	Kelly	Olson, E.	Rose	Valento
Forsythe	Kelso	Omann	Schafer	Voss
Frederick	Knickerbocker	Onnen	Schreiber	Wagenius
Frerichs	Kostohryz	Orenstein	Seaberg	Waltman

Those who voted in the negative were:

Anderson, R.	Bauerly	Begich	Brown	Carruthers
Battaglia	Beard	Bertram	Carlson, L.	Clark

Cooper	Kahn	Minne	Price	Solberg
Dauner	Kalis	Munger	Quinn	Sparby
Dawkins	Kinkel	Murphy	Reding	Steenasma
DeBlicek	Kludt	Nelson, C.	Rest	Tunheim
Dorn	Knuth	Nelson, K.	Rice	Vellenga
Greenfield	Krueger	O'Connor	Rodosovich	Wenzel
Jaros	Lasley	Ogren	Rukavina	Winter
Jefferson	Lieder	Olsen, S.	Sarna	Wynia
Jensen	McEachern	Olson, K.	Scheid	Spk. Vanasek
Johnson, A.	McLaughlin	Osthoff	Segal	
Johnson, R.	Milbert	Peterson	Simoneau	

The motion prevailed and the amendment was adopted.

Knickerbocker, Long and Clausnitzer moved to amend S. F. No. 2565, as amended, as follows:

Page 4, line 41, delete "\$14,200,000" and insert "\$9,700,000"

Page 5, delete line 3

Page 5, delete lines 27 to 33

Page 12, delete section 21

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 58 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Hugoson	McKasy	Quist
Bennett	Forsythe	Jacobs	McPherson	Redalen
Bishop	Frederick	Jennings	Miller	Reding
Blatz	Frerichs	Jensen	Morrison	Richter
Boo	Gruenes	Johnson, V.	Olson, K.	Rose
Burger	Gutknecht	Knickerbocker	Omman	Schafer
Carlson, D.	Hartle	Kostohryz	Onnen	Schreiber
Clausnitzer	Haukoos	Long	Pauly	Shaver
Dempsey	Heap	Marsh	Pelowski	Stanius
DeRaad	Himle	McDonald	Poppenhagen	Sviggum

Swenson	Tjornhom	Uphus	Voss
Thiede	Tompkins	Valento	Waltman

Those who voted in the negative were:

Anderson, G.	Greenfield	McEachern	Osthoff	Skoglund
Battaglia	Jaros	McLaughlin	Otis	Solberg
Bauerly	Jefferson	Milbert	Pappas	Sparby
Beard	Johnson, R.	Minne	Peterson	Steensma
Begich	Kahn	Munger	Price	Trimble
Bertram	Kalis	Murphy	Quinn	Tunheim
Brown	Kelly	Nelson, C.	Rest	Vellenga
Carlson, L.	Kelso	Nelson, D.	Rice	Wagenius
Carruthers	Kinkel	Nelson, K.	Rodosovich	Wenzel
Clark	Kludt	Neuenschwander	Rukavina	Winter
Cooper	Knuth	O'Connor	Sarna	Wynia
Dauner	Krueger	Ogren	Scheid	Spk. Vanasek
Dawkins	Larsen	Olsen, S.	Seaberg	
DeBlieck	Lasley	Olson, E.	Segal	
Dorn	Lieder	Orenstein	Simoneau	

The motion did not prevail and the amendment was not adopted.

Uphus, DeRaad and Redalen moved to amend S. F. No. 2565, as amended, as follows:

Page 4, after line 29, insert:

“Sec. 9. [APPROPRIATION TRANSFER FROM COMMERCE DEPARTMENT TO AGRICULTURAL PRODUCTS UTILIZATION FUND.]

Of the money appropriated by Laws 1987, chapter 15, section 10, subdivision 1, clauses (a) and (b), for purposes of program “A” in 1987 and program “B” in 1988 that remains unencumbered on July 1, 1988, \$6,500,000 is hereby transferred to the agricultural products utilization fund in Minnesota Statutes, section 116O.13, for use by the agricultural utilization research institute. This appropriation must not cancel but remains available until expended.”

Renumber accordingly

Correct internal references accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Uphus et al amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Johnson, V.	Onnen	Shaver
Bennett	Forsythe	Knickerbocker	Ozment	Stanius
Bishop	Frederick	Marsh	Pauly	Steensma
Blatz	Frerichs	McDonald	Poppenhagen	Svigum
Boo	Gruenes	McPherson	Quist	Swenson
Burger	Gutknecht	Miller	Redalen	Thiede
Carlson, D.	Hartle	Morrison	Richter	Tjornhom
Clausnitzer	Haukoos	Nelson, C.	Rose	Tompkins
DeBlicek	Heap	Nelson, K.	Schafer	Uphus
Dempsey	Himle	Olson, K.	Schreiber	Valento
DeRaad	Hugoson	Omann	Seaberg	Waltman
				Winter

Those who voted in the negative were:

Anderson, G.	Jacobs	Larsen	Orenstein	Scheid
Battaglia	Jaros	Lasley	Osthoff	Segal
Bauerly	Jefferson	Lieder	Otis	Simoneau
Beard	Jensen	Long	Pappas	Skoglund
Begich	Johnson, A.	McEachern	Pelowski	Solberg
Bertram	Johnson, R.	McLaughlin	Peterson	Sparby
Brown	Kahn	Milbert	Price	Trimble
Carlson, L.	Kalis	Minne	Quinn	Tunheim
Carruthers	Kelly	Munger	Reding	Vellenga
Clark	Kelso	Murphy	Rest	Voss
Cooper	Kinkel	Nelson, D.	Rice	Wagenius
Dauner	Kludt	Neuenschwander	Riveness	Wenzel
Dawkins	Knuth	O'Connor	Rodosevich	Wynia
Dorn	Kostohryz	Ogren	Rukavina	Spk. Vanasek
Greenfield	Krueger	Olson, E.	Sarna	

The motion did not prevail and the amendment was not adopted.

Schreiber moved to amend S. F. No. 2565, as amended, as follows:

Page 5, line 4, delete "(4)" and insert "(5)"

Page 5, delete lines 27 to 36

Page 6, delete lines 1 to 3 and insert:

"The appropriation in clause (5) is available only for transfer to

the metropolitan council for light rail transit grants under section 21."

Page 12, delete lines 8 to 35 and insert:

"Sec. 21. [473.168] [LIGHT RAIL TRANSIT; PLANNING AND DEVELOPMENT ASSISTANCE.]

Subdivision 1. [GRANT PROGRAM.] The council shall establish and administer a program of light rail transit grants as provided in this section.

Subd. 2. [PURPOSE.] The grants may be used only for planning, preliminary engineering, design, and implementation of light rail transit facilities. Grants may be made only for activities that are consistent with the council's transportation policy plan and that will meet transportation needs identified by the council.

Subd. 3. [ELIGIBILITY; APPLICATION.] Regional rail authorities established under chapter 398A are eligible for grants. The council shall establish application requirements for the program.

Subd. 4. [REGIONAL TRANSIT BOARD REVIEW.] Before making any grant, the council shall submit the application to the regional transit board for review and comment.

Subd. 5. [LOCAL PARTICIPATION.] Grants may not exceed 50 percent of the total cost of the activity for which a grant is awarded."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 47 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bennett	DeRaad	Heap	McKasy	Redalen
Bishop	Dille	Himle	McPherson	Richter
Blatz	Frederick	Hugoson	Miller	Schafer
Boo	Frerichs	Jennings	Morrison	Schreiber
Burger	Gruenes	Johnson, V.	Omann	Seaberg
Carlson, D.	Gutknecht	Knickerbocker	Onnen	Shaver
Clausnitzer	Hartle	Marsh	Poppenhagen	Stanius
Dempsey	Haukoos	McDonald	Quist	Sviggum

Swenson Thiede	Tjornhom Tompkins	Uphus Valento	Waltman
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Those who voted in the negative were:

Anderson, G.	Greenfield	Larsen	Olson, E.	Sarna
Battaglia	Jacobs	Lasley	Olson, K.	Scheid
Bauerly	Jaros	Lieder	Orenstein	Segal
Beard	Jefferson	McEachern	Osthoff	Simoneau
Begich	Jensen	McLaughlin	Otis	Skoglund
Bertram	Johnson, A.	Milbert	Ozment	Solberg
Brown	Johnson, R.	Minne	Pappas	Sparby
Carlson, L.	Kahn	Munger	Pelowski	Steensma
Carruthers	Kalis	Murphy	Peterson	Trimble
Clark	Kelly	Nelson, C.	Price	Tunheim
Cooper	Kelso	Nelson, D.	Quinn	Vellenga
Dauner	Kinkel	Nelson, K.	Reding	Voss
Dawkins	Kludt	Neuenschwander	Rest	Wagenius
DeBlick	Knuth	O'Connor	Rice	Wenzel
Dorn	Kostohryz	Ogren	Rodosovich	Winter
Forsythe	Krueger	Olsen, S.	Rukavina	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Schreiber moved to amend S. F. No. 2565, as amended, as follows:

Page 13, after line 15, insert:

"Sec. 24. Minnesota Statutes 1987 Supplement, section 473.398, is amended to read:

473.398 [TRANSIT NEEDS ASSESSMENT.]

(a) The metropolitan council, the regional transit board, a regional rail authority or political subdivision, and the metropolitan transit commission may not either separately or in combination expend or obligate any money from public sources a state or metropolitan tax for study, planning, design, preliminary engineering, engineering, acquisition, construction, or any other purpose related to operation of facilities for transporting passengers by cars operating on fixed rails, without express legislative authorization.

(b) Before performing any further detailed work on light rail transit, the regional transit board shall complete the total assessment of transit service needs and markets for the metropolitan area and the implementation plan required by section 473.377, subdivisions 1 and 2. It may consider any mode of travel to serve identified needs and markets.

(c) Following approval of the implementation plan by the metropolitan council, as required by section 473.377, subdivision 1, the regional transit board may commence corridor planning, consisting of preliminary engineering for general route configuration and

alignments, station locations, modal interconnectors, and access of any modes including light rail transit, for the corridor between the downtowns of Minneapolis and St. Paul if the needs assessment and implementation plan so provide. It may utilize private or public funds to do this work.

(d) The board shall report to the legislature by December 1, 1986, on the needs, alternative transit systems, and services considered and recommendations for implementation, costs, alternative sources of financing, and preferred financing sources."

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Bishop	Frerichs	Kostohryz	Poppenhagen	Sviggum
Blatz	Gruenes	Long	Quist	Swenson
Boo	Gutknecht	Marsh	Redalen	Thiede
Burger	Haukoos	McDonald	Richter	Tjornhom
Clausnitzer	Heap	McKasy	Rose	Tompkins
Dempsey	Himle	McPherson	Schafer	Uphus
DeRaad	Hugoson	Miller	Schreiber	Valento
Dille	Jacobs	Morrison	Seaberg	Voss
Dorn	Jennings	Omamm	Shaver	Waltman
Forsythe	Johnson, V.	Onnen	Stanius	Winter
Frederick	Knickerbocker	Pauly	Steenasma	

Those who voted in the negative were:

Anderson, G.	Greenfield	Lasley	Olson, K.	Sarna
Battaglia	Hartle	Lieder	Orenstein	Scheid
Bauerly	Jaros	McEachern	Osthoff	Segal
Beard	Jefferson	McLaughlin	Otis	Simoneau
Begich	Jensen	Milbert	Ozment	Skoglund
Bennett	Johnson, A.	Minne	Pappas	Solberg
Bertram	Johnson, R.	Munger	Pelowski	Trimble
Brown	Kahn	Murphy	Peterson	Tunheim
Carlson, D.	Kalis	Nelson, C.	Price	Vellenga
Carlson, L.	Kelly	Nelson, D.	Quinn	Wagenius
Carruthers	Kelso	Nelson, K.	Reding	Wenzel
Clark	Kinkel	Neuenschwander	Rest	Wynia
Cooper	Kludt	O'Connor	Rice	Spk. Vanasek
Dauner	Knuth	Ogren	Riveness	
Dawkins	Krueger	Olsen, S.	Rodosovich	
DeBlicke	Larsen	Olson, E.	Rukavina	

The motion did not prevail and the amendment was not adopted.

Schreiber moved to amend S. F. No. 2565, as amended, as follows:

Page 13, after line 31, insert:

“Sec. 27. [REPEALER.]

Minnesota Statutes 1986, section 473.398; and Minnesota Statutes 1987 Supplement, section 473.17, are repealed.”

A roll call was requested and properly seconded.

McDonald offered an amendment to the Schreiber amendment to S. F. No. 2565, as amended.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.9 that the McDonald amendment to the Schreiber amendment was not in order. The Speaker ruled the point of order well taken and the amendment to the amendment out of order.

The question recurred on the Schreiber amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 44 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bishop	Frederick	Knickerbocker	Pauly	Svigum
Blatz	Frerichs	Long	Poppenhagen	Swenson
Boo	Gruenes	Marsh	Quist	Thiede
Burger	Gutknecht	McDonald	Redalen	Tjornhom
Clausnitzer	Haukoos	McKasy	Richter	Tompkins
Dempsey	Heap	McPherson	Rose	Uphus
DeRaad	Himle	Morrison	Schafer	Valento
Dille	Hugoson	Omann	Schreiber	Waltman
Forsythe	Johnson, V.	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Carlson, L.	Greenfield	Johnson, R.	Kostohryz
Battaglia	Carruthers	Hartle	Kahn	Krueger
Beard	Clark	Jacobs	Kalis	Larsen
Begich	Cooper	Jaros	Kelly	Lasley
Bennett	Dauner	Jefferson	Kelso	Lieder
Bertram	Dawkins	Jennings	Kinkel	McEachern
Brown	DeBlieck	Jensen	Kludt	McLaughlin
Carlson, D.	Dorn	Johnson, A.	Knuth	Milbert

Minne	Olson, E.	Price	Segal	Voss
Murphy	Olson, K.	Quinn	Simoneau	Wagenius
Nelson, C.	Orenstein	Reding	Skoglund	Wenzel
Nelson, D.	Osthoff	Rest	Solberg	Winter
Nelson, K.	Otis	Rice	Stanisus	Spk. Vanasek
Neuenschwander	Ozment	Rodosovich	Steensma	
O'Connor	Pappas	Rukavina	Trimble	
Ogren	Pelowski	Sarna	Tunheim	
Olsen, S.	Peterson	Scheid	Vellenga	

The motion did not prevail and the amendment was not adopted.

Kelly moved to amend S. F. No. 2565, as amended, as follows:

Page 12, line 31, after the period insert "The commissioner may not distribute more than 60 percent of the available funds to a single recipient."

The motion prevailed and the amendment was adopted.

Haukoos, Valento and Dempsey offered an amendment to S. F. No. 2565, as amended.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.9 that the Haukoos et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Valento moved to amend S. F. No. 2565, as amended, as follows:

Page 12, line 29, after "engineering," insert "and"

Page 12, line 29, delete ", and construction"

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Bennett	Frichs	Marsh	Quist	Thiede
Bishop	Gruenes	McDonald	Redalen	Tjornhom
Burger	Gutknecht	McKasy	Richter	Tompkins
Carlson, D.	Haukoos	McPherson	Rose	Uphus
Clausnitzer	Heap	Miller	Schafer	Valento
Dempsey	Himle	Morrison	Schreiber	Waltman
DeRaad	Hugoson	Omann	Seaberg	
Dille	Johnson, V.	Onnen	Shaver	
Forsythe	Knickerbocker	Pauly	Stanius	
Frederick	Long	Poppenhagen	Sviggunn	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lieder	Orenstein	Segal
Battaglia	Jaros	McEachern	Osthoff	Simoneau
Bauerly	Jefferson	McLaughlin	Otis	Skoglund
Beard	Jensen	Milbert	Ozment	Solberg
Begich	Johnson, A.	Minne	Pappas	Sparby
Bertram	Johnson, R.	Munger	Pelowski	Steensma
Brown	Kahn	Murphy	Peterson	Trimble
Carlson, L.	Kalis	Nelson, C.	Price	Tunheim
Carruthers	Kelly	Nelson, D.	Quinn	Vellenga
Clark	Kelso	Nelson, K.	Reding	Voss
Cooper	Kinkel	Neuenschwander	Rest	Wagenius
Dauner	Kludt	O'Connor	Rice	Wenzel
Dawkins	Knuth	Ogren	Rodosovich	Winter
DeBlicke	Kostohryz	Olsen, S.	Rukavina	Wynia
Dorn	Larsen	Olson, E.	Sarna	Spk. Vanasek
Greenfield	Lasley	Olson, K.	Scheid	

The motion did not prevail and the amendment was not adopted.

Osthoff moved to amend S. F. No. 2565, as amended, as follows:

Page 13, after line 29, insert:

“Sec. 26. [METROPOLITAN COUNCIL.]

The council created by section 473.123 sunsets effective January 1, 1990.”

Renumber the remaining sections

The motion did not prevail and the amendment was not adopted.

S. F. No. 2565, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

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.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 94 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hartle	Lasley	Osthoff	Simoneau
Anderson, R.	Himle	Lieder	Otis	Skoglund
Battaglia	Jacobs	McEachern	Ozment	Solberg
Bauerly	Jaros	McLaughlin	Pappas	Sparby
Beard	Jefferson	Milbert	Pelowski	Stantus
Begich	Jensen	Minne	Peterson	Steensma
Bertram	Johnson, A.	Munger	Price	Swenson
Blatz	Johnson, R.	Murphy	Quinn	Tjornhom
Brown	Johnson, V.	Nelson, C.	Redalen	Trimble
Carlson, D.	Kahn	Nelson, D.	Reding	Tunheim
Carlson, L.	Kalis	Nelson, K.	Rest	Uphus
Carruthers	Kelly	Neuenschwander	Rice	Vellenga
Clark	Kelso	O'Connor	Riveness	Voss
Cooper	Kinkel	Ogren	Rodosovich	Wagenius
Dauner	Kludt	Olsen, S.	Rukavina	Wenzel
Dawkins	Knuth	Olsen, E.	Sarna	Winter
DeBlicke	Kostohryz	Olson, K.	Scheid	Wynia
Dorn	Krueger	Omann	Seaberg	Spk. Vanasek
Greenfield	Larsen	Orenstein	Segal	

Those who voted in the negative were:

Bennett	Forsythe	Jennings	Onnen	Shaver
Bishop	Frederick	Knickerbocker	Pauly	Sviggum
Boo	Frerichs	Marsh	Poppenhagen	Thiede
Burger	Gruenes	McDonald	Quist	Tompkins
Clausnitzer	Gutknecht	McKasy	Richter	Valento
Dempsey	Haukoos	McPherson	Rose	Waltman
DeRaad	Heap	Miller	Schafer	
Dille	Hugoson	Morrison	Schreiber	

The bill was passed, as amended, and its title agreed to.

McDonald was excused for the remainder of today's session.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1817:

Stanius, Neuenschwander and Reding.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1846:

Price, Bishop and Beard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2245:

Nelson, K.; McEachern; Vellenga; Bauerly and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 321:

Jacobs, Carruthers and Dempsey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1622:

Sparby, Wenzel and Steensma.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1711:

Ogren; Carlson, D., and Solberg.

SPECIAL ORDERS

S. F. No. 1875 was reported to the House.

McLaughlin moved that S. F. No. 1875 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2137 was reported to the House.

Kelso moved that S. F. No. 2137 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1646 was reported to the House.

DeBlick moved that S. F. No. 1646 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1686 was reported to the House.

Brown moved that S. F. No. 1686 be continued on Special Orders for one day. The motion prevailed.

Otis was excused for the remainder of today's session.

H. F. No. 1493 was reported to the House.

Kelly moved to amend H. F. No. 1493, the first engrossment, as follows:

Page 4, after line 21, insert:

"Sec. 3. [549.26] [FILING; ATTORNEY FEE AGREEMENTS AND ACCOUNTINGS.]

Each attorney who represents a party in a lawsuit must file two copies of the fee agreement between the attorney and the party along with the initial pleadings in the case. When the case is resolved, each attorney must file with the court two copies of a final accounting of the fee and the number of hours worked on the case. One copy of each must be kept with other documents in the case record for review by the court and the other copy of each must be kept by the district court administrator together with other such fee agreements and final accountings. Each district court administrator shall make the file of attorney fee agreements and final accountings available to the commission created in section 5."

Page 4, line 22, delete "3" and insert "4"

Page 5, line 10, delete "4" and insert "5"

Page 5, line 18, delete "5" and insert "6"

Page 5, line 20, delete "6" and insert "7"

Page 5, line 21, delete "and 3" and insert ", 3, and 4"

Page 5, line 22, delete "5" and insert "6"

Dempsey moved to amend the Kelly amendment to H. F. No. 1493, the first engrossment, as follows:

Page 1, line 6, after "in a" insert "civil" and after "lawsuit" insert "seeking damages as compensation for personal injury or wrongful death"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the adoption of the Kelly amendment to

H. F. No. 1493, the first engrossment. The motion did not prevail and the amendment was not adopted.

Voss, Simoneau, Sviggum and Schreiber moved to amend H. F. No. 1493, the first engrossment, as follows:

Pages 4 and 5, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1986, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. If the state or a municipality as defined in section 466.01 is jointly liable, and its Except in cases where liability arises under chapters 18B - pesticide control, 115 - water pollution control, 115A - waste management, 115B - environmental response and liability, 115C - leaking underground storage tanks, and 299E - pipeline safety, public nuisance law for damage to the environment or the public health, any other environmental or public health law, or any environmental or public health ordinance or program of a municipality as defined in section 466.01, if a person's fault is less than 35 percent, it that person is jointly and severally liable for an amount no greater than twice the amount of fault.

Sec. 4. Minnesota Statutes 1986, section 604.02, is amended by adding a subdivision to read:

Subd. 1a. "Person" includes the state or a municipality as defined in section 466.01."

Renumber the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 6, after "1" insert ", and by adding a subdivision"

A roll call was requested and properly seconded.

Voss moved to amend the Voss et al amendment to H. F. No. 1493, the first engrossment, as follows:

Page 1, after line 21, insert:

“Joint liability shall be imposed on all who consciously and deliberately pursue a common plan or design to commit a tortious act, and actively take part in it.”

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Voss et al amendment, as amended, and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 63 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Lieder	Onnen	Segal
Anderson, R.	Frerichs	Marsh	Ozment	Simoneau
Bennett	Gutknecht	McKasy	Pappas	Stanius
Bertram	Hartle	McPherson	Pauly	Sviggum
Blatz	Haukoos	Miller	Poppenhagen	Thiede
Boo	Heap	Minne	Quist	Tjornhom
Burger	Himle	Morrison	Redalen	Tompkins
Carlson, D.	Hugoson	Murphy	Reding	Uphus
Clausnitzer	Johnson, V.	Nelson, K.	Richter	Valento
DeRaad	Kalis	Neuenschwander	Rose	Voss
Dille	Kelso	Olsen, S.	Schafer	Waltman
Dorn	Knickerbocker	Olsen, E.	Schreiber	
Forsythe	Larsen	Omann	Seaberg	

Those who voted in the negative were:

Battaglia	Dempsey	Knuth	Orenstein	Skoglund
Bauerly	Greenfield	Kostohryz	Osthoff	Solberg
Beard	Gruenes	Krueger	Pelowski	Sparby
Begich	Jacobs	Lasley	Peterson	Steensma
Bishop	Jaros	Long	Price	Swenson
Brown	Jefferson	McEachern	Quinn	Trimble
Carlson, L.	Jennings	McLaughlin	Rest	Tunheim
Carruthers	Jensen	Milbert	Rice	Vellenga
Clark	Johnson, A.	Munger	Riveness	Wagenius
Cooper	Johnson, R.	Nelson, C.	Rodosovich	Welle
Dauner	Kahn	Nelson, D.	Rukavina	Wenzel
Dawkins	Kinkel	Ogren	Scheid	Winter
DeBlicck	Kiudt	Olsen, K.	Shaver	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment, as amended, was not adopted.

Simoneau; Olsen, S., and Clausnitzer moved to amend H. F. No. 1493, the first engrossment, as follows:

Page 5, after line 9, insert:

"Sec. 4. Minnesota Statutes 1986, section 548.36, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "collateral sources" means payments related to the injury or disability in question which have already been paid or which are substantially certain to be payable made to the plaintiff, or on the plaintiff's behalf which are calculated up to the date of the verdict, by or pursuant to:

(1) a federal, state, or local income disability or workers' compensation act; or other public program providing medical expenses, disability payments, or similar benefits;

(2) health, accident and sickness, or automobile accident insurance or liability insurance that provides health benefits or income disability coverage; except life insurance benefits available to the plaintiff, whether purchased by the plaintiff or provided by others, payments made pursuant to the United States Social Security Act, or pension payments;

(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; or

(4) a contractual or voluntary wage continuation plan provided by employers or any other system intended to provide wages during a period of disability, except benefits received from a private disability insurance policy where the premiums were wholly paid for by the plaintiff."

Renumber remaining sections

A roll call was requested and properly seconded.

The question was taken on the Simoneau et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clausnitzer	Frerichs	Himle	Larsen
Anderson, R.	DeRaad	Gruenes	Hugoson	Lieder
Bennett	Dille	Gutknecht	Johnson, V.	Marsh
Blatz	Dorn	Hartle	Kalis	McKasy
Boo	Forsythe	Haukoos	Knickerbocker	McPherson
Carlson, D.	Frederick	Heap	Kostohryz	Miller

Minne	Onnen	Richter	Segal	Uphus
Morrison	Ozment	Rodosovich	Shaver	Valento
Nelson, K.	Pauly	Rose	Simoneau	Voss
Neuenschwander	Poppenhagen	Sarna	Stanius	Waltman
Olsen, S.	Quist	Schafer	Sviggum	Welle
Olson, E.	Redalen	Schreiber	Thiede	
Omann	Reding	Seaberg	Tjornhom	

Those who voted in the negative were:

Battaglia	Dempsey	Knuth	Orenstein	Sparby
Bauerly	Greenfield	Krueger	Osthoff	Steensma
Beard	Jacobs	Lasley	Pappas	Swenson
Begich	Jaros	Long	Pelowski	Trimble
Bishop	Jefferson	McEachern	Peterson	Tunheim
Brown	Jennings	McLaughlin	Price	Vellenga
Burger	Jensen	Milbert	Quinn	Wagenius
Carlson, L.	Johnson, A.	Munger	Rest	Wenzel
Carruthers	Johnson, R.	Murphy	Rice	Winter
Clark	Kahn	Nelson, C.	Riveness	Wynia
Cooper	Kelly	Nelson, D.	Rukavina	Spk. Vanasek
Dauner	Kelso	O'Connor	Scheid	
Dawkins	Kinkel	Ogren	Skoglund	
DeBlieck	Kludt	Olson, K.	Solberg	

The motion did not prevail and the amendment was not adopted.

Voss and Redalen moved to amend H. F. No. 1493, the first engrossment, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1986, section 549.01, is amended to read:

549.01 [AGREEMENT AS TO FEES OF ATTORNEY.]

Subdivision 1. [RIGHT; COSTS.] Except as provided in subdivision 2, a party shall have an unrestricted right to agree with an attorney as to compensation for services, and the measure and mode thereof; but certain sums may be allowed to the prevailing party for expenses in an action, which are termed costs.

Subd. 2. [CONTINGENCY FEES; SCHEDULES.] (a) In a claim or civil action seeking damages as compensation for personal injury or wrongful death the attorney for the claimant may contract for a fee to be paid contingent upon and as a percentage of: (1) damages awarded according to a determination by the trier of fact; or (2) amounts received according to a settlement agreement.

(b) In a contingency fee arrangement the fee must be the exclusive method for payment of the attorney for the claimant and must not be more than an amount equal to a percentage of the award or settlement amount as follows: (1) 33½ percent of the first \$200,000;

(2) 20 percent of the next \$200,000; (3) ten percent of the next \$400,000; and (4) five percent of any amount that is more than \$800,000.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert “making contingency fees subject to a schedule;”

Page 1, line 6, delete “section” and insert “sections 549.01; and”

A roll call was requested and properly seconded.

The question was taken on the Voss and Redalen amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gutknecht	McPherson	Pappas	Skoglund
Anderson, R.	Hartle	Miller	Pauly	Thiede
Bauerly	Haukoos	Minne	Poppenhagen	Tompkins
Bertram	Heap	Morrison	Quist	Trimble
Boo	Hugoson	Nelson, D.	Redalen	Tunheim
Carlson, D.	Johnson, V.	Nelson, K.	Reding	Uphus
Dauner	Kelso	Neuenschwander	Rest	Valento
DeRaad	Knuth	Olson, E.	Richter	Voss
Dille	Kostohryz	Olson, K.	Rose	Waltman
Frederick	Larsen	Omann	Schafer	Winter
Gruenes	Marsh	Ozment	Simoneau	

Those who voted in the negative were:

Battaglia	Dempsey	Kelly	Nelson, C.	Sarna
Beard	Dorn	Kinkel	O'Connor	Scheid
Begich	Forsythe	Kludt	Ogren	Schreiber
Bennett	Frerichs	Knickerbocker	Olsen, S.	Seaberg
Bishop	Greenfield	Krueger	Orenstein	Segal
Blatz	Himle	Lasley	Osthoff	Shaver
Brown	Jacobs	Lieder	Pelowski	Solberg
Burger	Jefferson	Long	Peterson	Sparby
Carlson, L.	Jennings	McEachern	Price	Stanius
Carruthers	Jensen	McKasy	Quinn	Steensma
Clausnitzer	Johnson, A.	McLaughlin	Rice	Sviggum
Cooper	Johnson, R.	Milbert	Riveness	Swenson
Dawkins	Kahn	Munger	Rodosovich	Tjornhom
DeBlicke	Kalis	Murphy	Rukavina	Vellenga

Wagenius Welle Wenzel Wynia Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Kalis and Schreiber moved to amend H. F. No. 1493, the first engrossment, as follows:

Page 4, line 36, delete "ten" and insert "15"

Page 5, line 1, delete "ten" and insert "four"

A roll call was requested and properly seconded.

The question was taken on the Kalis and Schreiber amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 88 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frerichs	Knickerbocker	Omann	Skoglund
Anderson, R.	Gruenes	Knuth	Onnen	Solberg
Bauerly	Gutknecht	Kostohryz	Ozment	Stanisus
Bennett	Hartle	Krueger	Pappas	Steensma
Bertram	Haukoos	Larsen	Pauly	Sviggum
Bishop	Heap	Lieder	Poppenhagen	Thiede
Blatz	Himle	Marsh	Quist	Tjornhom
Boo	Hugoson	McKasy	Redalen	Tompkins
Burger	Jaros	McPherson	Reding	Trimble
Carlson, D.	Jennings	Miller	Richter	Uphus
Clausnitzer	Jensen	Minne	Rodosovich	Valento
Cooper	Johnson, A.	Morrison	Rose	Vallenga
Dauner	Johnson, R.	Nelson, C.	Schafer	Voss
DeRaad	Johnson, V.	Nelson, K.	Schreiber	Waltman
Dille	Kalis	Neuenschwander	Seaberg	Welle
Dorn	Kelly	Olsen, S.	Segal	Winter
Forsythe	Kelso	Olson, E.	Shaver	
Frederick	Kinkel	Olson, K.	Simoneau	

Those who voted in the negative were:

Battaglia	Dempsey	Milbert	Peterson	Sparby
Beard	Greenfield	Munger	Price	Swenson
Begich	Jacobs	Murphy	Quinn	Tunheim
Brown	Jefferson	Nelson, D.	Rest	Wagenius
Carlson, L.	Kahn	O'Connor	Rice	Wenzel
Carruthers	Kludt	Ogren	Riveness	Wynia
Clark	Lasley	Orenstein	Rukavina	Spk. Vanasek
Dawkins	Long	Osthoff	Sarna	
DeBlick	McLaughlin	Pelowski	Scheid	

The motion prevailed and the amendment was adopted.

Anderson, G., moved to amend H. F. No. 1493, the first engrossment, as amended, as follows:

Page 5, after line 9, insert:

"Sec. 4. Minnesota Statutes 1986, section 604.02, is amended by adding a subdivision to read:

Subd. 4. [ATTORNEY FEES.] When the portion of damages for which a defendant is liable under section 604.01 is uncollectible and when joint and several liability under section 604.02 applies, the uncollectible portion of the damages may not be included in the amount on which attorney contingency fees are calculated, whether or not all or a portion of the uncollectible damages is paid by another defendant. Prior to the application of joint and several liability, the uncollectible damages must be reduced by the amount that would have been paid in attorney contingency fees."

Renumber the sections in sequence

Page 5, line 22, delete "5" and insert "6"

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 33 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Johnson, V.	Olson, E.	Simoneau
Anderson, R.	Frederick	Marsh	Pauly	Thiede
Blatz	Gutknecht	Miller	Poppenhagen	Tompkins
Boo	Haukoos	Nelson, C.	Redalen	Valento
Carlson, D.	Himle	Nelson, K.	Rose	Voss
Clausnitzer	Hugoson	Neuenschwander	Schafer	
DeRaad	Jennings	Olsen, S.	Schreiber	

Those who voted in the negative were:

Battaglia	Carlson, L.	Forsythe	Johnson, A.	Knuth
Bauerly	Carruthers	Frerichs	Johnson, R.	Kostohryz
Beard	Clark	Greenfield	Kahn	Krueger
Begich	Cooper	Gruencs	Kalis	Larsen
Bennett	Dauner	Hartle	Kelly	Lasley
Bertram	Dawkins	Heap	Kelso	Lieder
Bishop	DeBlieck	Jacobs	Kinkcl	Long
Brown	Dempsey	Jefferson	Kludt	McEachern
Burger	Dorn	Jensen	Knickerbocker	McKasy

McLaughlin	Omamm	Reding	Shaver	Tunheim
McPherson	Onnen	Rest	Skoglund	Uphus
Milbert	Orenstein	Rice	Solberg	Vellenga
Minne	Osthoff	Riveness	Sparby	Wagenius
Munger	Pappas	Rodosovich	Stanius	Welle
Murphy	Pelowski	Rukavina	Steenasma	Wenzel
Nelson, D.	Peterson	Sarna	Svigum	Winter
O'Connor	Price	Scheid	Swenson	Wynia
Ogren	Quinn	Seaberg	Tjornhom	Spk. Vanasek
Olson, K.	Quist	Segal	Trimble	

The motion did not prevail and the amendment was not adopted.

Olsen, S., moved to amend H. F. No. 1493, the first engrossment, as amended, as follows:

Page 3, after line 35, insert:

"Sec. 2. Minnesota Statutes 1986, section 549.23, is amended to read:

549.23 [INTANGIBLE NONECONOMIC LOSSES; LIMITATIONS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "intangible loss": "noneconomic loss" means embarrassment, emotional distress, and loss of consortium. Intangible loss does not include pain, disability or and disfigurement.

Subd. 2. [LIMITATION.] In civil actions, whether based on contract or tort, the amount of damages per person for intangible noneconomic losses may not exceed \$400,000 \$500,000.

Subd. 3. [JURY NOT INFORMED OF LIMITATION.] The court may not inform the jury of the existence of the limitation in subdivision 2.

Subd. 4. [NOT NEW ACTION.] This section does not create a new cause of action for intangible noneconomic loss."

Renumber the remaining sections

Correct internal references

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 549.23; and"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 29 yeas and 99 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Knickerbocker	Pauly	Swiggum
Anderson, R.	Frerichs	Marsh	Redalen	Uphus
Blatz	Gutknecht	Olsen, S.	Reding	Valento
Boo	Hartle	Olsen, E.	Schreiber	Voss
DeRaad	Haukoos	Onnen	Segal	Welle
Forsythe	Heap	Ozment	Simoneau	

Those who voted in the negative were:

Battaglia	Greenfield	Larsen	Omann	Shaver
Bauerly	Gruenes	Lasley	Orenstein	Skoglund
Beard	Hugoson	Lieder	Osthoff	Solberg
Begich	Jacobs	Long	Pappas	Sparby
Bennett	Jaros	McEachern	Pelowski	Stanius
Bertram	Jefferson	McLaughlin	Peterson	Steenma
Brown	Jennings	McPherson	Poppenhagen	Swenson
Burger	Jensen	Milbert	Price	Thiede
Carlson, D.	Johnson, A.	Miller	Quinn	Tjornhom
Carlson, L.	Johnson, R.	Minne	Quist	Tompkins
Carruthers	Johnson, V.	Morrison	Rest	Trimble
Clark	Kahn	Munger	Richter	Tunheim
Clausnitzer	Kalis	Murphy	Riveness	Vellenga
Cooper	Kelly	Nelson, C.	Rodosovich	Wagenius
Dauner	Kelso	Nelson, D.	Rose	Waltman
Dawkins	Kinkel	Nelson, K.	Rukavina	Wenzel
DeBlicck	Kludt	Neuenschwander	Sarna	Winter
Dempsey	Knuth	O'Connor	Schafer	Wynia
Dille	Kostohryz	Ogren	Scheid	Spk. Vanasek
Dorn	Krueger	Olson, K.	Seaberg	

The motion did not prevail and the amendment was not adopted.

Larsen; Neuenschwander; Carlson, D., and Poppenhagen moved to amend H. F. No. 1493, the first engrossment, as amended, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1986, section 549.01, is amended to read:

549.01 [AGREEMENT AS TO FEES OF ATTORNEY.]

Subdivision 1. [RIGHT; COSTS.] Except as provided in subdivision 2, a party shall have an unrestricted right to agree with an attorney as to compensation for services, and the measure and mode

thereof; but certain sums may be allowed to the prevailing party for expenses in an action, which are termed costs.

Subd. 2. [CONTINGENCY FEES; SCHEDULES.] (a) In a claim or civil action seeking damages as compensation for personal injury or wrongful death the attorney for the claimant may contract for a fee to be paid contingent upon and as a percentage of: (1) damages awarded according to a determination by the trier of fact; or (2) amounts received according to a settlement agreement.

(b) In a contingency fee arrangement the fee must be the exclusive method for payment of the attorney for the claimant and must not be more than an amount equal to a percentage of the award or settlement amount as follows: (1) 40 percent of the first \$150,000; (2) 25 percent of the next \$850,000; and (3) 20 percent of any amount that is more than \$1,000,000."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon insert "making contingency fees subject to a schedule;"

Page 1, line 6, delete "section" and insert "sections 549.01; and"

A roll call was requested and properly seconded.

The question was taken on the Larsen et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Hugoson	Marsh	Omann
Anderson, R.	Frederick	Jennings	McPherson	Onnen
Blatz	Frerichs	Johnson, A.	Miller	Ozment
Boo	Gruenes	Johnson, V.	Minne	Pappas
Carlson, D.	Gutknecht	Kelso	Nelson, D.	Pauly
Clark	Hartle	Knuth	Nelson, K.	Poppenhagen
Clausnitzer	Haukoos	Kostohryz	Neuenschwander	Redalen
Dauner	Heap	Larsen	Olsen, S.	Reding
DeRaad	Himle	Lieder	Olsen, E.	Rest

Richter	Simoneau	Thiede	Uphus	Winter
Rose	Stanius	Tjornhom	Valento	
Schafer	Steensma	Tompkins	Voss	
Segal	Swiggum	Trimble	Waltman	

Those who voted in the negative were:

Battaglia	Dempsey	Knickerbocker	Olson, K.	Schreiber
Bauerly	Dorn	Krueger	Orenstein	Seaberg
Beard	Forsythe	Lasley	Osthoff	Shaver
Begich	Greenfield	Long	Pelowski	Skoglund
Bennett	Jacobs	McEachern	Peterson	Solberg
Bertram	Jaros	McKasy	Price	Sparby
Bishop	Jefferson	McLaughlin	Quinn	Swenson
Brown	Jensen	Milbert	Quist	Tunheim
Burger	Johnson, R.	Morrison	Rice	Vellenga
Carlson, L.	Kahn	Munger	Riveness	Wagenius
Carruthers	Kalis	Murphy	Rodosovich	Welle
Cooper	Kelly	Nelson, C.	Rukavina	Wenzel
Dawkins	Kinkel	O'Connor	Sarna	Wynia
DeBlicke	Kludt	Ogren	Scheid	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

H. F. No. 1493, A bill for an act relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the application of joint and several liability; providing for payment of future damages; amending Minnesota Statutes 1986, section 604.02, subdivision 1; Minnesota Statutes 1987 Supplement, section 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes; chapter 549; repealing Minnesota Statutes 1986, section 604.07.

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.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	Dille	Jaros	Kludt
Anderson, R.	Carlson, D.	Dorn	Jefferson	Knickerbocker
Battaglia	Carlson, L.	Forsythe	Jennings	Knuth
Bauerly	Carruthers	Frerichs	Jensen	Kostohryz
Beard	Clark	Greenfield	Johnson, A.	Krueger
Begich	Clausnitzer	Gruenes	Johnson, R.	Larsen
Bennett	Cooper	Gutknecht	Johnson, V.	Lasley
Bertram	Dauner	Hartle	Kahn	Lieder
Bishop	Dawkins	Heap	Kalis	Long
Blatz	DeBlicke	Himle	Kelly	McEachern
Boo	Dempsey	Hugoson	Kelso	McKasy
Brown	DeRaad	Jacobs	Kinkel	McLaughlin

McPherson	Olson, K.	Reding	Shaver	Uphus
Milbert	Omann	Rest	Simoneau	Valento
Miller	Onnen	Rice	Skoglund	Vellenga
Minne	Orenstein	Richter	Solberg	Voss
Munger	Osthoff	Riveness	Sparby	Wagenius
Murphy	Ozment	Rodosovich	Stanius	Waltman
Nelson, C.	Pappas	Rose	Steensma	Welle
Nelson, D.	Pauly	Rukavina	Sviggum	Wenzel
Nelson, K.	Pelowski	Sarna	Swenson	Winter
Neuenschwander	Peterson	Schafer	Thiede	Wynia
O'Connor	Price	Scheid	Tjornhom	Spk. Vanasek
Ogren	Quinn	Schreiber	Tompkins	
Olsen, S.	Quist	Seaberg	Trimble	
Olson, E.	Redalen	Segal	Tunheim	

Those who voted in the negative were:

Frederick	Haukoos	Marsh	Morrison	Poppenhagen
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The bill was passed, as amended, and its title agreed to.

Wynia moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Hartle moved that the names of Sviggum; Olson, E.; Kalis and Brown be added as authors on H. F. No. 2047. The motion prevailed.

Greenfield moved that the name of Rodosovich be added as an author on H. F. No. 2126. The motion prevailed.

Valento moved that his name be stricken as an author on H. F. No. 2423. The motion prevailed.

Riveness moved that the name of McKasy be added as an author on H. F. No. 2540. The motion prevailed.

Simoneau moved that the name of Johnson, R., be added as an author on H. F. No. 2654. The motion prevailed.

MOTION TO TAKE FROM THE TABLE

Osthoff moved that H. F. No. 1138 be taken from the table, that the

Speaker appoint a Conference Committee of 3 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.

Johnson, A., moved that H. F. No. 1818 be returned to its author. The motion prevailed.

Dille moved that H. F. No. 2238 be returned to its author. The motion prevailed.

Minne moved that H. F. No. 2532 be returned to its author. The motion prevailed.

Dawkins moved that H. F. No. 2178 be returned to its author. The motion prevailed.

Anderson, G., moved that H. F. No. 2788 be returned to its author. The motion prevailed.

Dawkins, Skoglund, Welle, Rice and Jaros introduced:

House Resolution No. 57, A House resolution supporting the right of peaceful protest; condemning violent protest; condemning deployment of United States troops to Honduras; urging withdrawal of troops from Honduras.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1138:

Osthoff, Scheid and Sarna.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, March 29, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, March 29, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 29, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Oliver G. White, Camphor Memorial United Methodist Church and President of the St. Paul Black Ministerial Alliance, St. Paul, Minnesota.

The roll was called and the following members were present:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steensma
Bishop	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Vellenga
Cooper	Kahn	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBlieck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kimkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Osthoff 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. 2095, 2520, 1746, 1812, 2130, 2685, 1251, 2127, 2138, 2344, 2459, 2561, 2590 and 1493 and S. F. Nos. 1582, 1573, 1610, 2491, 2525, 1540, 2071, 2185, 203, 2021, 2003, 1940, 2286, 2122, 1727, 2165, 1834, 1885, 2402, 1827, 2275, 2390, 1819, 752, 1788 and 1388 have been placed in the members' files.

S. F. No. 2525 and H. F. No. 2176, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 2525 be substituted for H. F. No. 2176 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2165 and H. F. No. 2527, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ozment moved that the rules be so far suspended that S. F. No. 2165 be substituted for H. F. No. 2527 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 203 and H. F. No. 125, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 203 be substituted for H. F. No. 125 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1582 and H. F. No. 1896, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jennings moved that the rules be so far suspended that S. F. No.

1582 be substituted for H. F. No. 1896 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1885 and H. F. No. 1979, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 1885 be substituted for H. F. No. 1979 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1540 and H. F. No. 1643, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Marsh moved that the rules be so far suspended that S. F. No. 1540 be substituted for H. F. No. 1643 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1940 and H. F. No. 2024, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jaros moved that the rules be so far suspended that S. F. No. 1940 be substituted for H. F. No. 2024 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1610 and H. F. No. 1736, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 1610 be substituted for H. F. No. 1736 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1727 and H. F. No. 2011, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 1727 be substituted for H. F. No. 2011 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1834 and H. F. No. 1938, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Haukoos moved that the rules be so far suspended that S. F. No. 1834 be substituted for H. F. No. 1938 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2071 and H. F. No. 1848, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 2071 be substituted for H. F. No. 1848 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1573 and H. F. No. 1830, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 1573 be substituted for H. F. No. 1830 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2185 and H. F. No. 1705, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 2185 be substituted for H. F. No. 1705 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1819 and H. F. No. 1872, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 1819 be substituted for H. F. No. 1872 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2491 and H. F. No. 2514, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 2491 be substituted for H. F. No. 2514 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2402 and H. F. No. 2594, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 2402 be substituted for H. F. No. 2594 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2122 and H. F. No. 2235, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Nelson, D., moved that the rules be so far suspended that S. F. No. 2122 be substituted for H. F. No. 2235 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1788 and H. F. No. 2095, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 1788 be substituted for H. F. No. 2095 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2275 and H. F. No. 1251, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pappas moved that the rules be so far suspended that S. F. No. 2275 be substituted for H. F. No. 1251 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 25, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 1740, relating to criminal sexual conduct; clarifying the definition of "consent."

H. F. No. 1766, relating to local government; making explicit the power of towns to take certain action at a special meeting.

H. F. No. 1816, relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request.

H. F. No. 2056, relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Sincerely,

RUDY PERPICH
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

March 25, 1988

The Honorable Robert Vanasek
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 1988 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.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1988</i>	<i>Date Filed</i> <i>1988</i>
	1740	413	March 25	March 25
	1766	414	March 25	March 25
	1816	415	March 25	March 25
	2056	416	March 25	March 25
896		417	March 25	March 25
1772		418	March 25	March 25

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Kostohryz from the Committee on General Legislation, Veterans Affairs and Gaming to which was referred:

H. F. No. 1607, A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATE.] “Congressional candidate” means an individual who seeks nomination or election to the United States senate or house of representatives and who is a “candidate” as that term is defined under United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1986.

Sec. 2. Minnesota Statutes 1986, section 10A.01, subdivision 7, is amended to read:

Subd. 7. [CONTRIBUTION.] “Contribution” means:

(1) with respect to a candidate, a transfer of funds or a donation in kind.

Contribution and includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) (1) forgiven, or (b) (2) paid by an entity an individual or any association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision paragraph, it is a contribution in the year in which the loan or advance of credit is

made. A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. A contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8), as amended through December 31, 1986.

Sec. 3. Minnesota Statutes 1986, section 10A.01, subdivision 10, is amended to read:

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.]
"Campaign expenditure" or "expenditure" means:

(1) with respect to a candidate, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. Except as provided in ~~clause (a)~~, item (i) of this clause, an expenditure includes the dollar value of a donation in kind. An expenditure does not include:

~~(a)~~ (i) noncampaign disbursements as defined in subdivision 10c;

~~(b)~~ (ii) transfers as defined in subdivision 7a;

~~(c)~~ (iii) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or

~~(d)~~ (iv) the publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, an "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1986.

Sec. 4. Minnesota Statutes 1986, section 10A.01, subdivision 10b, is amended to read:

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(1) with respect to a candidate, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate; and

(2) with respect to a congressional candidate, an "independent expenditure" as that term is defined under United State Code, title 2, section 431, paragraph (17), as amended through December 31, 1986.

Sec. 5. Minnesota Statutes 1986, section 10A.01, subdivision 15, is amended to read:

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means:

(1) with respect to a candidate, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question; and

(2) with respect to a congressional candidate, a "political committee" as that term is defined under United State Code, title 2, section 431, paragraph (4), as amended through December 31, 1986.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any a principal campaign committee formed pursuant to section 10A.19 of a candidate or congressional candidate, and an authorized committee of a congressional candidate.

Sec. 6. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(1) with respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and

(2) with respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1986.

Sec. 7. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or any other political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1986, to receive contributions or make expenditures on behalf of that congressional candidate.

Sec. 8. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees, including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1986.

Sec. 9. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for the candidate's campaign shall file with the board copies of all reports that the candidate or the candidate's principal campaign committee treasurer acting for the candidate is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1986. The reports must be filed with the board at the times required under United States Code, title 2, section 434, as amended through December 31, 1986.

Sec. 10. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

(1) for United States senator, \$4,000,000; and

(2) for representative in congress, \$400,000.

Sec. 11. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2a, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount in subdivision 2a, as adjusted by section 10A.255.

Sec. 12. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 5b. [CONGRESSIONAL CANDIDATES ACCEPTING PUBLIC SUBSIDY FACING OPPONENT NOT ACCEPTING PUBLIC SUBSIDY.] (a) Notwithstanding the limits imposed by subdivision 2a, if a congressional candidate who has signed an agreement under section 33 to be bound by the expenditure limits imposed under that subdivision is running in a general election against an opponent who has chosen not to accept a public subsidy and whose party's congressional candidate for the same office in the last general election received more than ten percent of the vote, the congressional candidate who has signed an agreement may make aggregate expenditures equal to 125 percent of the applicable amount set forth in subdivision 2a, as adjusted by section 10A.255; except that, if this subdivision applies and the congressional candidate who has signed an agreement was a winning congressional candidate in a contested primary as provided under subdivision 5a, the congressional candidate may make aggregate expenditures equal to 125 percent of the applicable amount as determined under subdivision 5a.

(b) With respect to congressional candidates for representative in congress, and for the purposes of determining the ten percent requirement under paragraph (a), if the "last general election" was the first election after a congressional reapportionment, the congressional candidate voting data for these offices shall be applied to the areas encompassing the newly drawn congressional districts.

Sec. 13. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit set forth in subdivision 2a, as adjusted by section 10A.255.

Sec. 14. Minnesota Statutes 1986, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY OF EXPENDITURE LIMITS.] The expenditure limits imposed by this section apply only to candidates and congressional candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

(a) an allocation of money from the state elections campaign fund;
or

(b) Credits against the tax due of individuals who contribute to that candidate.

Sec. 15. Minnesota Statutes 1987 Supplement, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts provided in section 10A.25, ~~subdivision~~ subdivisions 2 and 2a, must be adjusted for 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 December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding last general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest whole dollar. The index used must 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 1967-1982 as a base year.

Subd. 2. [TRANSITIONAL PERIOD.] (a) The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1988 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1987 and the adjustment must be calculated by the executive director by June 1, 1988.

(b) Except for the office of state representative in the legislature, the dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1990 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1989 and the adjustment must be calculated by the executive director by June 1, 1990.

(c) The dollar amounts provided in section 10A.25, subdivision 2a,

must be adjusted for the 1990 races for representative in congress and the races for United States senate, and subsequent general elections for those offices in the manner provided in subdivision 1, except that the last general election year shall be considered to be 1986 and the dollar amounts used for the last general election year for the offices of United States senator and representative in congress shall be \$4,000,000 and \$400,000 respectively.

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] On or before June 15 of each year, the board shall publish in the state register the expenditure for each office for that calendar year, as provided in section 10A.25, as adjusted by this section.

Sec. 16. Minnesota Statutes 1986, section 10A.27, is amended by adding a subdivision to read:

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] Contributions by and to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1986.

Sec. 17. Minnesota Statutes 1986, section 10A.275, is amended to read:

10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd. 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in clauses (a) to (d) in subdivision 1 are governed by the relevant provisions of United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1986.

Sec. 18. Minnesota Statutes 1986, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATE EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits of in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25 ~~shall be~~, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits in section 10A.25 who permits the candidate's authorized committees to make aggregate expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 ~~shall be~~ is subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] A congressional candidate who permits the candidate's authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, as amended through December 31, 1986, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1986.

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of

subdivision 1, 1a, or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, 1a, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, ~~in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district,~~ to impose a civil fine as prescribed by the board pursuant to subdivision 1, 1a, or 2. An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office must be brought in the district court of Ramsey county. An action filed against a candidate for state legislative office must be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in congress must be brought in the district court of a county within the congressional candidate's congressional district. All money recovered pursuant to this section shall be deposited in the general fund of the state.

Sec. 19. Minnesota Statutes 1986, section 10A.30, subdivision 2, is amended to read:

Subd. 2. [SEPARATE ACCOUNTS.] Within the state elections campaign fund account there shall be maintained a separate political party account for the candidates and congressional candidates of each political party and a general account.

Sec. 20. Minnesota Statutes 1987 Supplement, section 10A.31, subdivision 2, is amended to read:

Subd. 2. The taxpayer may designate that the amount designated be paid into the party account of a political party or into the general account. If the taxpayer does so, the amount must be segregated within that account for allocation and distribution as follows:

(1) one-half for allocation to candidate offices according to the allocations in subdivision 5, paragraph (a), and for distribution to candidates according to the formula, if applicable, in subdivision 5a and as provided under subdivision 6; and

(2) one-half for allocation to congressional candidate offices according to the allocations in subdivision 5, paragraph (b), and for distribution to congressional candidates according to the formula, if applicable, developed under subdivision 5b and as provided under subdivision 6.

Sec. 21. Minnesota Statutes 1987 Supplement, section 10A.31, subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates and congressional candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 (or \$10 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$5 on the return only if the individual has not designated \$5 on the income tax return.

Sec. 22. Minnesota Statutes 1986, section 10A.31, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) Candidates. In each calendar year the moneys money in each party account and the general account that has been segregated under subdivision 2 for allocation to candidate offices shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23 $\frac{1}{3}$ percent for the office of state senator and 46 $\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

(b) Congressional candidates. In each calendar year the money in each party account and the general account that has been segregated under subdivision 2 for allocation to congressional candidate offices must be allocated as follows:

(1) 16 $\frac{2}{3}$ percent for the office of United States senator for which an election will be held in 1990 and every six years afterward;

(2) 16 $\frac{2}{3}$ percent for the office of United States senator for which an election will be held in 1994 and every six years afterward;

(3) 67 $\frac{2}{3}$ percent for the offices of representative in congress.

Sec. 23. Minnesota Statutes 1986, section 10A.31, is amended by adding a subdivision to read:

Subd. 5a. [FORMULA FOR DISTRIBUTION TO LEGISLATIVE CANDIDATES.] (a) To assure that money will be returned to the counties from which it was collected, and to assure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed under this subdivision.

A candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula.

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in that county in the last general election for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office the candidate is seeking.

The sum of all the county shares calculated in the formula in this paragraph is the candidate's share of the candidate's party account.

(b) With respect to the formula in paragraph (a), the terms "last general election" and the "candidate's district" have the following meanings:

(1) In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

(2) For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

(3) In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district even though the area was in a different district in the last general election.

(c) If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party must be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in paragraph (a), clauses (1) and (2). The average vote must be added to the sums in paragraph (a), clauses (1) and (2) before the calculation is made for all districts in the county.

Sec. 24. Minnesota Statutes 1986, section 10A.31, is amended by adding a subdivision to read:

Subd. 5b. [FORMULA FOR DISTRIBUTION TO CONGRESSIONAL CANDIDATES FOR REPRESENTATIVE IN CONGRESS.] The commissioner of revenue shall develop a formula for distribution of money from the state elections campaign fund to congressional candidates for the office of representative in congress to assure that money will be returned to the counties from which it was collected, and to assure that the distribution of the money rationally relates to the support for particular parties or for particular congressional candidates within congressional districts. Money from the party accounts distributed to congressional candidates from the state elections campaign fund must be distributed according to the formula developed.

Sec. 25. Minnesota Statutes 1986, section 10A.31, is amended by adding a subdivision to read:

Subd. 5c. [UNDISTRIBUTED MONEY.] Money in a party account not distributed in any election year to candidates for state senator and representative and congressional candidates for the office of representative in congress must be returned to the general fund of the state. Money in a party account not distributed in any election year to candidates for other office or congressional candidates for the office of United States senator must be kept in the party account but must be reallocated in the following year to all of the candidate offices and congressional candidate offices as provided under subdivision 5. Money in the general account refused in any election year by a candidate or congressional candidate must be distributed in that year to all other qualifying candidates and congressional candidates as provided under subdivision 7.

Sec. 26. Minnesota Statutes 1986, section 10A.31, subdivision 6, is amended to read:

Subd. 6. [DISTRIBUTION OF FUNDS AFTER PRIMARY ELECTION.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates and

congressional candidates of that party who have signed the an agreement, as provided in section 10A.32, subdivision 3 33, and whose names are to appear on the ballot in the general election, according to the allocations and formulas set forth in subdivision subdivisions 5, 5a, and 5b.

Sec. 27. Minnesota Statutes 1986, section 10A.31, subdivision 7, is amended to read:

Subd. 7. [DISTRIBUTION OF FUNDS AFTER GENERAL ELECTION.] Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide state constitutional office and to all congressional candidates for the office of United States senator who have signed agreements under section 33 and received at least five percent of the votes cast in the general election for that office, and to all candidates for state legislative office and for the office of representative in congress who have signed agreements under section 33 and received at least ten percent of the votes cast in the general election for the specific office for which they were candidates or congressional candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 28. Minnesota Statutes 1986, section 10A.31, subdivision 8, is amended to read:

Subd. 8. [CERTIFICATION OF AMOUNTS AFTER PRIMARY.] Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate and congressional candidate who has signed the an agreement, as provided in section 10A.32, subdivision 3 33, and the amount the candidate is to receive from the available funds in the candidate's party account.

Sec. 29. Minnesota Statutes 1986, section 10A.31, subdivision 9, is amended to read:

Subd. 9. [CERTIFICATION OF AMOUNTS AFTER GENERAL ELECTION.] Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate and congressional candidate who is qualified to receive funds from the general account, together with the amount the candidate is to receive from the available funds in the general account.

Sec. 30. Minnesota Statutes 1986, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF AMOUNTS ACCUMULATED SINCE PREVIOUS CERTIFICATION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate and congressional candidate according to the allocations as provided and formulas set forth in subdivisions 5, 5a, and 5b. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates and congressional candidates. Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 31. Minnesota Statutes 1986, section 10A.31, subdivision 11, is amended to read:

Subd. 11. [WRITE-IN CANDIDATES.] For the purposes of this section, a write-in candidate or congressional candidate is a candidate or congressional candidate only upon complying with the provisions of section 10A.32, subdivision 3 33.

Sec. 32. [10A.321] [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before the first day of July in an election year an estimate of (1) the total amount in the general account of the state elections campaign fund, and (2) the amount of money each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign fund. This estimate must be based upon the allocations and formulas in section 10A.31, subdivisions 5, 5a, and 5b, any necessary vote totals provided by the secretary of state to apply the formulas in section 10A.31, subdivisions 5 and 5b, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Before the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party

affiliation of each candidate and congressional candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate and congressional candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within seven days afterward, the board shall estimate the minimum amount to be received by each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, and notify on or before August 15 all candidates and congressional candidates of the applicable amount. The board shall include with the notice a form for the agreement provided in section 33.

Sec. 33. [10A.322] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF ALLOCATION FROM CAMPAIGN FUND.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving money from the state elections campaign fund, a candidate shall sign a written agreement with the board in which the candidate agrees that the aggregate of (i) expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate will not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATES.] As a condition of receiving money from the state elections campaign fund, a congressional candidate shall sign a written agreement with the board in which the candidate agrees that the aggregate of expenditures made by the authorized committees of the congressional candidate may not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate or congressional candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate or congressional candidate may submit the agreement directly to the board no later than September 1. An agreement may not be rescinded after September 1.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) Candidates. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding

election to the office held or sought at the time of agreement, whichever occurs first.

(b) Congressional candidates. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), as amended through December 31, 1986, or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Sec. 34. [10A.323] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED; CANDIDATES.]

(a) A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board; and

(2) To the extent that the amount of public subsidy received exceeds the aggregate of (i) actual expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 2. [WHEN RETURN REQUIRED; CONGRESSIONAL CANDIDATES.] (a) A congressional candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) to the extent that the amount of public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board; and

(2) to the extent that the amount of public subsidy received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate or congressional candidate is required to return all or a portion of the public subsidy received from the state elections campaign fund, as provided under subdivisions 1 and 2, must be determined from the report required to be filed with the board by that candidate or congressional candidate on or before January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit into the general fund. In no case may the amount returned exceed the amount of public subsidy received by the candidate or congressional candidate from the state elections campaign fund.

Sec. 35. [10A.324] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES OR CONGRESSIONAL CANDIDATES.]

If a political party for whose candidates or congressional candidates funds have been accumulated in the state elections campaign fund does not have a candidate at a general election for the office of state senator or state representative or a congressional candidate for the office of representative in congress, the party account money allocated for that office must be returned to the general fund of the state. If that party does not have a candidate at a general election for any state constitutional office or a congressional candidate for the office of United States senator, the party account money allocated for that office must be transferred to the general account of the state elections campaign fund for reallocation to all of the candidate offices and congressional candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates and congressional candidates as provided under section 10A.31, subdivision 7.

Sec. 36. Minnesota Statutes 1986, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

The provisions of sections 10A.30 to 10A.32 shall and sections 32 to 35 apply only in general elections and primaries preceding general elections and shall not apply to special elections or special primaries.

Sec. 37. Minnesota Statutes 1986, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECK-OFF.]

For the purpose of determining whether the distribution formula formulas provided in section 10A.31, subdivision 5 subdivisions 5a

and 5b, (a) assures assure that money will be returned to the counties from which they were collected, and (b) continues continue to have a rational relation to the support for particular parties or particular candidates within legislative districts or congressional candidates within congressional districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$2 \$5, or in the case of a joint return, \$4 \$10, is designated for a political party.

Sec. 38. [ALLOCATION OF 1986 TAX CHECK-OFF MONEY FOR THE OFFICE OF UNITED STATES SENATOR.]

Notwithstanding Minnesota Statutes, section 10A.31, subdivision 5, paragraph (b), the money in each party account and the general account of the state elections campaign fund representing taxpayer designations for the tax years 1986 and 1987 must be allocated as follows: 67 $\frac{2}{3}$ percent to the offices of representative in congress; 33 $\frac{1}{3}$ percent to the office of United States senator for which an election will be held in 1990.

Sec. 39. [REPEALER.]

Minnesota Statutes 1986, sections 10A.27, subdivision 5; and 10A.32, as amended by Laws 1987, chapter 214, section 8; are repealed.

Sec. 40. [EFFECTIVE DATE.]

This act is effective on January 1, 1989."

Delete the title and insert:

"A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; and 10A.335; Minnesota Statutes 1987 Supplement, sections 10A.255; 10A.31, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.27, subdivision 5; and 10A.32, as amended."

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.

Voss from the Committee on Taxes to which was referred:

H. F. No. 2297, A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 41.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2297 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2525, 2165, 203, 1582, 1885, 1540, 1940, 1610, 1727, 1834, 2071, 1573, 2185, 1819, 2491, 2402, 2122, 1788 and 2275 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Stanius introduced:

H. F. No. 2793, A bill for an act relating to intoxicating liquor; items which may be sold in exclusive off-sale liquor stores; amending Minnesota Statutes 1986, section 340A.101, subdivision 10.

The bill was read for the first time and referred to the Committee on Regulated Industries.

HOUSE ADVISORIES

The following House Advisory was introduced:

Milbert introduced:

H. A. No. 76, A proposal to study lot vacancies and rent rates in mobile home parks in the seven county metro area.

The advisory was referred to the Committee on Economic Development and Housing.

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. 2018, A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.15, subdivision 2; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

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. 2190, A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to

H. F. No. 2190 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2190, A bill for an act relating to local government; permitting certain cities and towns to contribute to certain hospitals.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Frederick	Krueger	Otis	Simoneau
Anderson, R.	Frerichs	Larsen	Ozment	Skoglund
Battaglia	Greenfield	Lasley	Pappas	Solberg
Bauerly	Gruenes	Lieder	Pauly	Sparby
Beard	Gutknecht	Marsh	Pelowski	Stanius
Begich	Hartle	McDonald	Peterson	Steenasma
Bennett	Haukoos	McEachern	Poppenhagen	Sviggum
Bertram	Heap	McKasy	Price	Swenson
Blatz	Himle	McPherson	Quinn	Thiede
Boo	Hugoson	Milbert	Quist	Tjornhom
Brown	Jacobs	Miller	Redalen	Tompkins
Burger	Jaros	Minne	Reding	Trimble
Carlson, D.	Jefferson	Morrison	Rest	Tunheim
Carlson, L.	Jennings	Munger	Rice	Uphus
Carruthers	Jensen	Murphy	Richter	Valento
Clark	Johnson, A.	Nelson, C.	Riveness	Vellenga
Clausnitzer	Johnson, R.	Nelson, K.	Rodosovich	Voss
Cooper	Johnson, V.	O'Connor	Rose	Wagenius
Dauner	Kalis	Ogren	Rukavina	Waltman
Dawkins	Kelly	Olsen, S.	Sarna	Wenzel
DeBlieck	Kelso	Olsen, E.	Schafer	Winter
Dempsey	Kinkel	Olson, K.	Scheid	Wynia
DeRaad	Kludt	Omann	Schreiber	Spk. Vanasek
Dille	Knickerbocker	Onnen	Seaberg	
Dorn	Knuth	Orenstein	Segal	
Forsythe	Kostohryz	Osthoff	Shaver	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the

Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kinkel moved that the House concur in the Senate amendments to H. F. No. 2155 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; proposing the authorization of a new state trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Forsythe	Krueger	Onnen	Segal
Anderson, R.	Frederick	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Ozment	Skoglund
Beard	Gutknecht	Long	Pappas	Solberg
Begich	Hartle	Marsh	Pauly	Sparby
Bennett	Haukoos	McDonald	Pelowski	Stanius
Bertram	Heap	McEachern	Peterson	Steensma
Bishop	Hugoson	McKasy	Poppenhagen	Sviggum
Blatz	Jacobs	McLaughlin	Price	Swenson
Boo	Jaros	McPherson	Quinn	Thiede
Brown	Jefferson	Milbert	Quist	Tjornhom
Burger	Jennings	Miller	Redalen	Tompkins
Carlson, D.	Jensen	Minne	Reding	Trimble
Carlson, L.	Johnson, A.	Morrison	Rest	Tunheim
Carruthers	Johnson, R.	Murphy	Rice	Uphus
Clark	Johnson, V.	Nelson, C.	Richter	Valento
Clausnitzer	Kahn	Nelson, D.	Riveness	Vellenga
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlicke	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Dille	Knuth	Olson, K.	Schreiber	
Dorn	Kostohryz	Omann	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Solberg moved that the House concur in the Senate amendments to H. F. No. 2272 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5; 89.17; 89.19; and 90.041, by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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, R.	Greenfield	Larsen	Orenstein	Segal
Battaglia	Gruenes	Lasley	Osthoff	Shaver
Bauerly	Gutknecht	Lieder	Otis	Skoglund
Beard	Hartle	Long	Ozment	Solberg
Begich	Haukoos	Marsh	Pappas	Sparby
Bennett	Heap	McDonald	Pauly	Stanius
Bertram	Himle	McEachern	Pelowski	Steensma
Blatz	Hugoson	McKasy	Peterson	Sviggum
Boo	Jacobs	McLaughlin	Poppenhagen	Swenson
Brown	Jaros	McPherson	Price	Thiede
Burger	Jefferson	Milbert	Quinn	Tjornhom
Carlson, D.	Jennings	Miller	Quist	Tompkins
Carlson, L.	Jensen	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Morrison	Reding	Tunheim
Clark	Johnson, R.	Munger	Rest	Uphus
Clausnitzer	Johnson, V.	Murphy	Rice	Valento
Cooper	Kahn	Nelson, C.	Richter	Vellenga
Dauner	Kalis	Nelson, D.	Riveness	Voss
Dawkins	Kelly	Nelson, K.	Rodosovich	Wagenius
DeBlieck	Kelso	O'Connor	Rose	Waltman
Dempsey	Kinkel	Ogren	Rukavina	Welle
DeRaad	Kludt	Olsen, S.	Sarna	Wenzel
Dille	Knickerbocker	Olson, E.	Schafer	Winter
Dorn	Knuth	Olson, K.	Scheid	Wynia
Forsythe	Kostohryz	Omann	Schreiber	Spk. Vanasek
Frederick	Krueger	Onnen	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1589, 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 1986, section 500.20, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olsen, S., moved that the House concur in the Senate amendments to H. F. No. 1589 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1589, 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 1986, section 500.20, by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	DeBlicke	Johnson, A.	McKasy	Osthoff
Anderson, R.	Dempsey	Johnson, R.	McLaughlin	Otis
Battaglia	DeRaad	Johnson, V.	McPherson	Ozment
Bauerly	Dille	Kahn	Milbert	Pappas
Beard	Dorn	Kalis	Miller	Pauly
Begich	Forsythe	Kelly	Minne	Pelowski
Bennett	Frederick	Kelso	Morrison	Peterson
Bertram	Greenfield	Kinkel	Munger	Poppenhagen
Blatz	Gruenes	Kludd	Murphy	Price
Boo	Gutknecht	Knickerbocker	Nelson, C.	Quinn
Brown	Hartle	Knuth	Nelson, D.	Quist
Burger	Haukoos	Kostohryz	Nelson, K.	Redalen
Carlson, D.	Heap	Krueger	Neuenschwander	Reding
Carlson, L.	Himle	Larsen	Ogren	Rest
Carruthers	Hugoson	Lasley	Olsen, S.	Rice
Clark	Jacobs	Lieder	Olson, E.	Richter
Clausnitzer	Jaros	Long	Olson, K.	Riveness
Cooper	Jefferson	Marsh	Omam	Rodosovich
Dauner	Jennings	McDonald	Onnen	Rose
Dawkins	Jensen	McEachern	Orenstein	Rukavina

Schafer	Simoneau	Swenson	Uphus	Welle
Scheid	Skoglund	Thiede	Valento	Wenzel
Schreiber	Solberg	Tjornhom	Vellenga	Winter
Seaberg	Sparby	Tompkins	Voss	Wynia
Segal	Stanius	Trimble	Wagenius	Spk. Vanasek
Shaver	Steensma	Tunheim	Waltman	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark moved that the House concur in the Senate amendments to H. F. No. 2132 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2132, A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Burger	DeRaad	Heap	Kahn
Anderson, R.	Carlson, D.	Dille	Himle	Kalis
Battaglia	Carlson, L.	Dorn	Hugoson	Kelly
Bauerly	Carruthers	Forsythe	Jacobs	Kelso
Beard	Clark	Frederick	Jaros	Kinkel
Begich	Clausmitzer	Frerichs	Jefferson	Kludd
Bennett	Cooper	Greenfield	Jennings	Knickerbocker
Bertram	Dauner	Gruenes	Jensen	Knuth
Blatz	Dawkins	Gutknecht	Johnson, A.	Kostohryz
Boo	DeBlieck	Hartle	Johnson, R.	Krueger
Brown	Dempsey	Haukoos	Johnson, V.	Larsen

Lasley	Nelson, D.	Pelowski	Schafer	Tompkins
Lieder	Nelson, K.	Peterson	Scheid	Trimble
Long	Neuenschwander	Poppenhagen	Schreiber	Tunheim
Marsh	O'Connor	Price	Seaberg	Uphus
McDonald	Ogren	Quinn	Segal	Valento
McEachern	Olsen, S.	Quist	Shaver	Vellenga
McKasy	Olson, E.	Redalen	Simoneau	Voss
McLaughlin	Olson, K.	Reding	Skoglund	Wagenius
McPherson	Omman	Rest	Solberg	Waltman
Milbert	Onnen	Rice	Sparby	Welle
Miller	Orenstein	Richter	Stanius	Wenzel
Minne	Osthoff	Riveness	Steensma	Winter
Morrison	Otis	Rodosovich	Sviggum	Wynia
Munger	Ozment	Rose	Swenson	Spk. Vanasek
Murphy	Pappas	Rukavina	Thiede	
Nelson, C.	Pauly	Sarna	Tjornhom	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Begich moved that the House concur in the Senate amendments to H. F. No. 2109 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2109, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage 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.	Bennett	Carlson, D.	Dauner	Dorn
Anderson, R.	Bertram	Carlson, L.	Dawkins	Forsythe
Battaglia	Blatz	Carruthers	DeBlieck	Frederick
Bauerly	Boo	Clark	Dempsey	Frerichs
Beard	Brown	Clausnitzer	DeRaad	Greenfield
Begich	Burger	Cooper	Dille	Gruenes

Gutknecht	Knuth	Neuenschwander	Reding	Steensma
Hartle	Kostohryz	Ogren	Rest	Sviggunn
Haukoos	Krueger	Olsen, S.	Rice	Swenson
Heap	Larsen	Olsen, E.	Richter	Thiede
Himle	Lasley	Olsen, K.	Riveness	Tjornhom
Hugoson	Lieder	Omann	Rodosovich	Tompkins
Jacobs	Long	Onnen	Rose	Trimble
Jaros	Marsh	Orenstein	Rukavina	Tunheim
Jefferson	McDonald	Osthoff	Sarna	Uphus
Jennings	McEachern	Otis	Schafer	Valento
Johnson, A.	McPherson	Ozment	Scheid	Vellenga
Johnson, R.	Milbert	Pappas	Schreiber	Voss
Johnson, V.	Miller	Pauly	Seaberg	Wagenius
Kahn	Minne	Pelowski	Segal	Waltman
Kalis	Morrison	Peterson	Shaver	Welle
Kelly	Munger	Poppenhagen	Simoneau	Wenzel
Kelso	Murphy	Price	Skoglund	Winter
Kinkel	Nelson, C.	Quinn	Solberg	Wynia
Kludt	Nelson, D.	Quist	Sparby	Spk. Vanasek
Knickerbocker	Nelson, K.	Redalen	Stanius	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hartle moved that the House concur in the Senate amendments to H. F. No. 2046 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2046, A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Orenstein	Shaver
Anderson, R.	Frerichs	Lasley	Osthoff	Simoneau
Battaglia	Greenfield	Lieder	Otis	Skoglund
Bauerly	Gruenes	Long	Ozment	Solberg
Beard	Gutknecht	Marsh	Pappas	Sparby
Begich	Hartle	McDonald	Pauly	Stanias
Bennett	Haukoos	McEachern	Pelowski	Steensma
Bertram	Heap	McKasy	Peterson	Sviggum
Bishop	Hugoson	McLaughlin	Poppenhagen	Swenson
Blatz	Jacobs	McPherson	Price	Thiede
Boo	Jaros	Milbert	Quinn	Tjornhom
Brown	Jefferson	Miller	Quist	Tompkins
Burger	Jennings	Minne	Redalen	Trimble
Carlson, D.	Jensen	Morrison	Reding	Tunheim
Carlson, L.	Johnson, A.	Munger	Rest	Uphus
Carruthers	Johnson, R.	Murphy	Rice	Valento
Clark	Johnson, V.	Nelson, C.	Richter	Vellenga
Clausnitzer	Kahn	Nelson, D.	Riveness	Voss
Cooper	Kalis	Nelson, K.	Rodosovich	Wagenius
Dauner	Kelly	Neuenschwander	Rose	Waltman
Dawkins	Kelso	O'Connor	Rukavina	Welle
DeBlicek	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dille	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Omann	Seaberg	
Forsythe	Krueger	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Simoneau moved that the House concur in the Senate amendments to H. F. No. 1877 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1877, A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minne-

sota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Simoneau
Bauerly	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steensma
Bishop	Himle	McKasy	Peterson	Svigum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Vellenga
Cooper	Kahn	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBleeck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kinkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2000, A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Shaver moved that the House concur in the Senate amendments to

H. F. No. 2000 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2000, A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; requiring the prevailing party in a civil action to pay the cost of filing a satisfaction of judgment; amending Minnesota Statutes 1986, sections 480.001, subdivision 1; 548.15; and 549.02.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Skoglund
Bauerly	Gruenes	Lieder	Otis	Solberg
Beard	Gutknecht	Long	Ozment	Sparby
Begich	Hartle	Marsh	Pappas	Stanius
Bennett	Haukoos	McDonald	Pauly	Steensma
Bertram	Heap	McEachern	Pelowski	Sviggum
Bishop	Himle	McKasy	Peterson	Swenson
Blatz	Hugoson	McLaughlin	Poppenhagen	Thiede
Boo	Jacobs	McPherson	Price	Tjornhom
Brown	Jaros	Milbert	Quinn	Tompkins
Burger	Jefferson	Miller	Quist	Trimble
Carlson, D.	Jennings	Minne	Redalen	Tunheim
Carlson, L.	Jensen	Morrison	Reding	Uphus
Carruthers	Johnson, A.	Munger	Rest	Valento
Clark	Johnson, R.	Murphy	Rice	Vellenga
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Voss
Cooper	Kahn	Nelson, D.	Riveness	Wagenius
Dauner	Kalis	Nelson, K.	Rodosovich	Waltman
Dawkins	Kelly	Neuenschwander	Rose	Welle
DeBlieck	Kelso	O'Connor	Rukavina	Wenzel
Dempsey	Kinkel	Ogren	Sarna	Winter
DeRaad	Kludt	Olsen, S.	Schafer	Wymia
Dille	Knickerbocker	Olson, E.	Scheid	Spk. Vanasek
Dorn	Knuth	Olson, K.	Schreiber	
Forsythe	Kostohryz	Omann	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1534, A bill for an act relating to education; changing licensing requirements for registered barbers and registered appren-

tice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Welle moved that the House concur in the Senate amendments to H. F. No. 1534 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1534, A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Segal
Anderson, R.	Frerichs	Larsen	Orenstein	Shaver
Battaglia	Greenfield	Lasley	Osthoff	Skoglund
Bauerly	Gruenes	Lieder	Otis	Simoneau
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bertram	Heap	McEachern	Pelowski	Steenma
Bishop	Himle	McKasy	Peterson	Sviggum
Blatz	Hugoson	McLaughlin	Poppenhagen	Swenson
Boo	Jacobs	McPherson	Price	Thiede
Brown	Jaros	Milbert	Quinn	Tjornhom
Burger	Jefferson	Miller	Quist	Tompkins
Carlson, D.	Jennings	Minne	Redalen	Trimble
Carlson, L.	Jensen	Morrison	Reding	Tunheim
Carruthers	Johnson, A.	Munger	Rest	Uphus
Clark	Johnson, R.	Murphy	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Richter	Vellenga
Cooper	Kahn	Nelson, D.	Riveness	Voss
Dauner	Kalis	Nelson, K.	Rodosovich	Wagenius
Dawkins	Kelly	Neuenschwander	Rose	Waltman
DeBlicck	Kelso	O'Connor	Rukavina	Welle
Dempsey	Kinkel	Ogren	Sarna	Wenzel
DeRaad	Kludt	Olsen, S.	Schafer	Winter
Dille	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tompkins moved that the House concur in the Senate amendments to H. F. No. 2637 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2637, A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McKasy	Peterson	Sviggum
Bishop	Himle	McLaughlin	Poppenhagen	Swenson
Blatz	Hugoson	McPherson	Price	Thiede
Boo	Jacobs	Milbert	Quinn	Tjornhom
Brown	Jaros	Miller	Quist	Tompkins
Burger	Jefferson	Minne	Redalen	Trimble
Carlson, D.	Jennings	Morrison	Reding	Tunheim
Carlson, L.	Jensen	Munger	Rest	Uphus
Carruthers	Johnson, A.	Murphy	Rice	Valento
Clark	Johnson, R.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kahn	Nelson, K.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 2025, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

PATRICK E. FLAHAVERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Begich moved that the House concur in the Senate amendments to H. F. No. 2025 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2025, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kalis	Munger	Quinn
Anderson, R.	Dille	Kelly	Murphy	Quist
Battaglia	Dorn	Kelso	Nelson, C.	Redalen
Bauerly	Forsythe	Kinkel	Nelson, D.	Reding
Beard	Frederick	Kludt	Nelson, K.	Rest
Begich	Frerichs	Knickerbocker	Neuenschwander	Rice
Bennett	Greenfield	Knuth	O'Connor	Richter
Bertram	Gruenes	Kostohryz	Ogren	Riveness
Bishop	Gutknecht	Krueger	Olsen, S.	Rodosovich
Blatz	Hartle	Larsen	Olson, E.	Rose
Boo	Haukoos	Lasley	Olson, K.	Rukavina
Brown	Heap	Lieder	Omann	Sarna
Burger	Himle	Long	Onnen	Schafer
Carlson, D.	Hugoson	Marsh	Orenstein	Scheid
Carlson, L.	Jacobs	McDonald	Osthoff	Schreiber
Carruthers	Jaros	McEachern	Otis	Seaberg
Clark	Jefferson	McKasy	Ozment	Segal
Clausnitzer	Jennings	McLaughlin	Pappas	Shaver
Cooper	Jensen	McPherson	Pauly	Simoneau
Dauner	Johnson, A.	Milbert	Pelowski	Skoglund
Dawkins	Johnson, R.	Miller	Peterson	Solberg
DeBlieck	Johnson, V.	Minne	Poppenhagen	Sparby
Dempsey	Kahn	Morrison	Price	Stanius

Steensma
Swiggum
Swenson
Thiede

Tjornhom
Tompkins
Trimble
Tunheim

Uphus
Valento
Vellenga
Voss

Wagenius
Waltman
Welle
Wenzel

Winter
Wynia
Spk. Vanasek

The bill was repassed, as amended by the Senate, and its title agreed to.

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. 1980, A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kalis moved that the House refuse to concur in the Senate amendments to H. F. No. 1980, that the Speaker appoint a Conference Committee of 3 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 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. 1795, A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ogren moved that the House refuse to concur in the Senate amendments to H. F. No. 1795, that the Speaker appoint a Conference Committee of 3 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.

CONSENT CALENDAR

S. F. No. 974, A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Larsen	Osthoff	Simoneau
Anderson, R.	Greenfield	Lasley	Otis	Skoglund
Battaglia	Gruenes	Lieder	Ozment	Solberg
Bauerly	Gutknecht	Long	Pappas	Sparby
Beard	Hartle	Marsh	Pauly	Stanis
Begich	Haukoos	McDonald	Pelowski	Steensma
Bennett	Heap	McEachern	Peterson	Sviggum
Bertram	Himle	McKasy	Poppenhagen	Swenson
Bishop	Hugoson	McPherson	Price	Thiede
Blatz	Jacobs	Milbert	Quinn	Tjornhom
Boo	Jaros	Miller	Quist	Tompkins
Brown	Jefferson	Minne	Redalen	Trimble
Burger	Jennings	Morrison	Reding	Tunheim
Carlson, D.	Jensen	Munger	Rest	Uphus
Carlson, L.	Johnson, A.	Murphy	Rice	Valento
Carruthers	Johnson, R.	Nelson, C.	Richter	Vellenga
Clark	Johnson, V.	Nelson, D.	Riveness	Voss
Clausnitzer	Kahn	Nelson, K.	Rodosovich	Wagenius
Cooper	Kalis	Neuenschwander	Rose	Waltman
Dauner	Kelly	O'Connor	Rukavina	Welle
Dawkins	Kelso	Ogren	Sarna	Wenzel
DeBlieck	Kinkel	Olsen, S.	Schafer	Winter
Dempsey	Kludt	Olson, E.	Scheid	Wynta
DeRaad	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dille	Knuth	Omann	Seaberg	
Dorn	Kostohryz	Onnen	Segal	
Forsythe	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

S. F. No. 2090, A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Onnen	Simoneau
Anderson, R.	Frerichs	Larsen	Orenstein	Skoglund
Battaglia	Greenfield	Lasley	Osthoff	Solberg
Bauerly	Gruenes	Lieder	Otis	Sparby
Beard	Gutknecht	Long	Ozment	Stanius
Begich	Hartle	Marsh	Pappas	Steensma
Bennett	Haukoos	McDonald	Pauly	Sviggum
Bertram	Heap	McEachern	Pelowski	Swenson
Bishop	Himle	McKasy	Peterson	Thiede
Blatz	Hugoson	McLaughlin	Poppenhagen	Tjornhom
Boo	Jacobs	McPherson	Price	Tompkins
Brown	Jaros	Milbert	Quinn	Trimble
Burger	Jefferson	Miller	Quist	Tunheim
Carlson, D.	Jennings	Minne	Redalen	Uphus
Carlson, L.	Jensen	Morrison	Reding	Valento
Carruthers	Johnson, A.	Munger	Rice	Vellenga
Clark	Johnson, R.	Murphy	Richter	Voss
Clausnitzer	Johnson, V.	Nelson, C.	Rodosovich	Wagenius
Cooper	Kahn	Nelson, D.	Rose	Waltman
Dauner	Kalis	Nelson, K.	Rukavina	Welle
Dawkins	Kelly	Neuenschwander	Sarna	Wenzel
DeBlieck	Kelso	O'Connor	Schafer	Winter
Dempsey	Kinkel	Ogren	Scheid	Wynia
DeRaad	Kludt	Olsen, S.	Schreiber	Spk. Vanasek
Dille	Knickerbocker	Olson, E.	Seaberg	
Dorn	Knuth	Olson, K.	Segal	
Forsythe	Kostohryz	Omann	Shaver	

The bill was passed and its title agreed to.

S. F. No. 2376, A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dauner	Jaros	Lieder	Ogren
Anderson, R.	Dawkins	Jefferson	Long	Olsen, S.
Battaglia	DeBlieck	Jennings	Marsh	Olson, E.
Bauerly	Dempsey	Jensen	McDonald	Olson, K.
Beard	DeRaad	Johnson, A.	McEachern	Omann
Begich	Dille	Johnson, R.	McKasy	Onnen
Bennett	Dorn	Johnson, V.	McLaughlin	Orenstein
Bertram	Forsythe	Kahn	McPherson	Otis
Bishop	Frederick	Kalis	Milbert	Ozment
Blatz	Frerichs	Kelly	Miller	Pappas
Boo	Greenfield	Kelso	Minne	Pauly
Brown	Gruenes	Kinkel	Morrison	Pelowski
Burger	Gutknecht	Kludt	Munger	Peterson
Carlson, D.	Hartle	Knickerbocker	Murphy	Poppenhagen
Carlson, L.	Haukoos	Knuth	Nelson, C.	Quinn
Carruthers	Heap	Kostohryz	Nelson, D.	Quist
Clark	Himle	Krueger	Nelson, K.	Redalen
Clausnitzer	Hugoson	Larsen	Neuenschwander	Reding
Cooper	Jacobs	Lasley	O'Connor	Rest

Rice	Scheid	Sparby	Trimble	Welle
Richter	Schreiber	Stanius	Tunheim	Wenzel
Riveness	Seaberg	Steensma	Uphus	Winter
Rodosovich	Segal	Sviggun	Valento	Wynia
Rose	Shaver	Swenson	Vellenga	Spk. Vanasek
Rukavina	Simoneau	Thiede	Voss	
Sarna	Skoglund	Tjornhom	Wagenius	
Schafer	Solberg	Tompkins	Waltman	

The bill was passed and its title agreed to.

S. F. No. 1632 was reported to the House.

Bennett moved to amend S. F. No. 1632, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that the lands and waters of Ramsey county are great natural resources; that as a result of erosion of lands and sediment deposition in waters of the region, waters are being polluted and despoiled to a degree that fish, aquatic life, recreation, and other uses of lands and waters are being adversely affected; that the rapid shift in land use from agricultural to nonagricultural uses has accelerated the processes of soil erosion and sedimentation. Implementation of the metropolitan surface water planning act in Ramsey county requires a coordinated effort in that county, and the state of Minnesota may benefit from a pilot program within that county. The legislature further finds it is necessary to establish and implement through the soil and water conservation district in cooperation with water management organizations, cities, towns, and other public and private entities in that county, a county-wide coordinated erosion and sediment control pilot program to conserve and to protect the land, water, and other natural resources of Ramsey county.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [CONSERVATION SPECIFICATIONS.] “Conservation specifications” means management procedures, techniques, and methods to control soil erosion and sedimentation.

Subd. 3. [DISTRICT.] “District” means the soil and water conservation district operating under Minnesota Statutes, chapter 40.

Subd. 4. [LAND DISTURBANCE ACTIVITY.] “Land disturbance

activity” means land change that may result in soil erosion from water or wind and the movement of sediments into or upon waters or lands of Ramsey county, including clearing, grading, excavating, transporting, and filling of land. Land disturbance activity does not mean:

(1) minor land disturbance activities such as home gardens and individual home landscaping, repairs, and maintenance work;

(2) construction, installation, maintenance of electric and telephone utility lines or individual service connection to the utility lines;

(3) septic tank lines or drainage fields unless included in an overall plan for a land disturbance activity relating to construction of a building to be served by the septic tank system;

(4) tilling, planting, or harvesting of agricultural, horticultural, or silvicultural crops;

(5) preparation for single-family residences separately built, unless in conjunction with multiple construction in subdivision development;

(6) disturbance of land areas of less than 10,000 square feet for commercial or noncommercial uses, except that the governing body of the statutory or home rule charter city, town, or organization may reduce this exception to a smaller area of disturbed land or qualify the conditions under which this exception applies;

(7) installation of fence, sign, telephone, and electric poles and other kinds of posts or poles; and

(8) emergency work to protect life, limb, or property and emergency repairs.

Subd. 5. [ORGANIZATION.] “Organization” means a watershed management organization as defined in section 473.876 that has more than 25 percent of its area within Ramsey county.

Sec. 3. [DISTRICT EROSION AND SEDIMENT CONTROL PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The district shall develop a pilot program that contains a model ordinance and conservation specifications for the effective control of soil erosion and sediment deposition. To assist in the development of the pilot program, the district shall seek the advice of appropriate state and federal agencies, local units of government, and representatives of interests such as residential development and nonresidential development.

Subd. 2. [PROGRAM CONTENTS.] The district pilot program shall contain:

(1) relevant physical and developmental information concerning the region, including data relating to land use, soils, hydrology, geology, size of land area being disturbed, proximate water bodies and their characteristics, transportation, and public facilities and services;

(2) a model ordinance;

(3) principles for protecting existing vegetation, adequate revegetation schedules, and run-off control measures; and

(4) conservation specifications and alternative methods for the control of erosion and sediment resulting from land disturbance activities.

Subd. 3. [PROGRAM ADOPTION; IMPLEMENTATION.] The district shall adopt and implement the program by January 1, 1989. The district may revise its pilot program as necessary. The district shall give due notice and conduct at least one public hearing on the proposed pilot program before adoption or revision.

Subd. 4. [INSPECTION OF PROGRAM.] The program shall be made available for public inspection at the office of the district.

Sec. 4. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAMS.]

Subdivision 1. [ADOPTION.] Each organization must, within one year after the adoption of the district program under section 3, develop and adopt an organization soil erosion and sediment control program, as part of its watershed plan under Minnesota Statutes, section 473.878. The organization program must be consistent with the district program and must be submitted to the district for approval or disapproval. Upon written request of an organization, the district shall assist in the preparation of the organization program. The organization may choose to implement the program throughout its area of jurisdiction or only within the territory of the district.

Subd. 2. [FAILURE TO ADOPT AN ORGANIZATION PROGRAM.] After adoption of the district program under section 3, the board of water and soil resources may not approve a watershed plan until the organization has included an organization program in accordance with this section. A watershed plan approved by the board before the adoption of the district program must be amended and submitted to the board of water and soil resources for approval within one year after the adoption of the district program. If the

amendment is not submitted, plan approval must be withdrawn until the amendment is submitted.

Subd. 3. [HEARING REQUIREMENT.] Organizations that choose to adopt conservation specifications or an ordinance that are more stringent than the district program must conduct a public hearing after due notice.

Sec. 5. [COMPLIANCE.]

Plans, rules, and ordinances adopted under sections 1 to 4 must be consistent with any applicable rules promulgated by the board of water and soil resources.

Sec. 6. [EFFECTIVE DATE.]

This act is effective upon approval by the Ramsey county board and the soil and water conservation district as provided in Minnesota Statutes, section 645.021."

The motion prevailed and the amendment was adopted.

S. F. No. 1632, A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeBlicke	Jensen	McEachern	Orenstein
Anderson, R.	Dempsey	Johnson, A.	McKasy	Osthoff
Battaglia	DeRaad	Johnson, R.	McPherson	Otis
Bauerly	Dille	Johnson, V.	Milbert	Ozment
Beard	Dorn	Kahn	Miller	Pappas
Begich	Forsythe	Kalis	Minne	Pauly
Bennett	Frederick	Kelly	Morrison	Pelowski
Bertram	Frerichs	Kelso	Munger	Peterson
Bishop	Greenfield	Kinkel	Murphy	Poppenhagen
Blatz	Gruenes	Kludt	Nelson, C.	Price
Boo	Gutknecht	Knickerbocker	Nelson, D.	Quinn
Brown	Hartle	Knuth	Nelson, K.	Quist
Burger	Haukoos	Kostohryz	Neuenschwander	Redalen
Carlson, D.	Heap	Krueger	O'Connor	Reding
Carlson, L.	Himle	Larsen	Ogren	Rest
Carruthers	Hugoson	Lasley	Olsen, S.	Rice
Clark	Jacobs	Lieder	Olson, E.	Richter
Clausnitzer	Jaros	Long	Olson, K.	Riveness
Cooper	Jefferson	Marsh	Omann	Rodosovich
Dauner	Jennings	McDonald	Onnen	Rose

Rukavina	Shaver	Sviggum	Tunheim	Waltman
Schafer	Simoneau	Swenson	Uphus	Welle
Scheid	Skoglund	Thiede	Valento	Wenzel
Schreiber	Solberg	Tjornhom	Vellenga	Winter
Seaberg	Stanius	Tompkins	Voss	Wynia
Segal	Steensma	Trimble	Wagenius	Spk. Vanasek

The bill was passed, as amended, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bill as a Special Order to be acted upon immediately preceding Special Orders pending for today, Tuesday, March 29, 1988:

S. F. No. 1970.

SPECIAL ORDERS

S. F. No. 1970, A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dawkins	Jennings	McDonald	Omann
Anderson, R.	DeBlieck	Jensen	McEachern	Onnen
Battaglia	Dempsey	Johnson, A.	McKasy	Orenstein
Bauerly	DeRaad	Johnson, R.	McLaughlin	Osthoff
Beard	Dille	Johnson, V.	McPherson	Otis
Begich	Dorn	Kahn	Milbert	Ozment
Bennett	Forsythe	Kalis	Miller	Pappas
Bertram	Frederick	Kelly	Minne	Pauly
Bishop	Frerichs	Kelso	Morrison	Pelowski
Blatz	Greenfield	Kinkel	Munger	Peterson
Boo	Gruenes	Kludt	Murphy	Poppenhagen
Brown	Gutknecht	Knickerbocker	Nelson, C.	Price
Burger	Hartle	Knuth	Nelson, D.	Quinn
Carlson, D.	Haukoos	Kostohryz	Nelson, K.	Quist
Carlson, L.	Heap	Krueger	Neuenschwander	Redalen
Carruthers	Himle	Larsen	O'Connor	Reding
Clark	Hugoson	Lasley	Ogren	Rest
Clausnitzer	Jacobs	Lieder	Olsen, S.	Rice
Cooper	Jaros	Long	Olson, E.	Richter
Dauner	Jefferson	Marsh	Olson, K.	Riveness

Rodosovich	Seaberg	Steensma	Tunheim	Wenzel
Rose	Shaver	Sviggum	Uphus	Winter
Rukavina	Simoneau	Swenson	Valento	Wynia
Sarna	Skoglund	Thiede	Voss	Spk. Vanasek
Schafer	Solberg	Tjornhom	Wagenius	
Scheid	Sparby	Tompkins	Waltman	
Schreiber	Stanius	Trimble	Welle	

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. No. 2590.

H. F. No. 2590 was reported to the House.

CALL OF THE HOUSE

On the motion of Rice and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, G.	Frerichs	Lieder	Otis	Shaver
Battaglia	Greenfield	Long	Ozment	Simoneau
Beard	Gruenes	Marsh	Pappas	Skoglund
Begich	Gutknecht	McEachern	Pauly	Solberg
Bertram	Hartle	McKasy	Pelowski	Stanius
Bishop	Haukoos	McLaughlin	Peterson	Steensma
Blatz	Heap	McPherson	Poppenhagen	Sviggum
Brown	Himle	Milbert	Price	Swenson
Burger	Hugoson	Miller	Quinn	Thiede
Carlson, L.	Jefferson	Minne	Quist	Tjornhom
Carruthers	Jennings	Morrison	Redalen	Trimble
Clark	Jensen	Nelson, C.	Reding	Tunheim
Clausnitzer	Johnson, A.	Nelson, D.	Rest	Uphus
Cooper	Johnson, R.	Nelson, K.	Rice	Valento
Dauner	Johnson, V.	Neuenschwander	Richter	Vellenga
Dawkins	Kelly	O'Connor	Rodosovich	Voss
DeBlieck	Kelso	Ogren	Rose	Wagenius
Dempsey	Kinkel	Olsen, S.	Sarna	Waltman
DeRaad	Kludt	Olson, E.	Schafer	Welle
Dille	Knickerbocker	Olson, K.	Scheid	Wenzel
Dorn	Krueger	Onnen	Schreiber	Winter
Forsythe	Larsen	Orenstein	Seaberg	Spk. Vanasek
Frederick	Lasley	Osthoff	Segal	

Otis 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.

Rice; Wenzel; Olsen, S.; Bauerly; Rose; Uphus; Munger; Tjornhom; Waltman; Battaglia; Redalen; Dempsey; Milbert; Cooper; Jennings; Rukavina; Sarna; McEachern; Miller; Jaros; Sparby; Johnson, A.; Valento; Jensen; Scheid; Solberg; Tompkins; DeBlieck; Quinn; Jef-

ferson; Johnson, R.; Carruthers; Marsh; Johnson, V.; Lieder; Omann; Kinkel; McPherson; Bertram; McDonald; Larsen; Beard; Anderson, R.; Begich; Clausnitzer; Schafer; Minne; O'Connor; McKasy; Bennett; Price; Heap; Knickerbocker; Swenson; Carlson, L.; Blatz; Pelowski; Ozment; Gutknecht; Pauly; Carlson, D.; Hartle; Winter; Stanius; Boo; Orenstein; Neuenschwander; Trimble; Segal and Knuth moved to amend H. F. No. 2590, the first engrossment, as follows:

Page 6, line 1, delete "of elderly and disabled individuals"

Page 11, line 34, after "DISABLED" insert "; OR PENSION INCOME"

Page 12, after line 12, insert:

"(e) "Pension income" means to the extent included in the taxpayer's federal adjusted gross income the amount received by the taxpayer:

(1) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination of those benefits; or

(2) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 408, or 409 of the Internal Revenue Code."

Page 12, line 13, delete "(e)" and insert "(f)"

Page 12, line 15, after "[SUBTRACTION.]" insert "An individual is allowed a subtraction from federal taxable income equal to the greater of (1) the elderly and disabled subtraction allowed under subdivision 3 or (2) the pension exclusion allowed under subdivision 4.

Subd. 3. [ELDERLY AND DISABLED SUBTRACTION.]

Page 12, line 16, after the comma, delete the remainder of the line

Page 12, line 17, delete "in computing the tax imposed by this chapter" and insert "the elderly and disabled subtraction is"

Page 12, line 19, after the period, insert "In the case of an individual who is not a qualified individual, the elderly and disabled subtraction is zero."

Page 13, after line 4, insert:

"Subd. 4. [PENSION EXCLUSION.] (a) The pension exclusion amount equals the lesser of (1) the recipient's pension income or (2) the maximum amount computed according to paragraphs (b) to (e).

(b) Taxpayers who are married and filing jointly may exclude pension income up to \$11,000, reduced by (1) the amount of joint federal adjusted gross income that exceeds \$25,500 but not below \$5,500; and by (2) the amount in paragraph (e).

(c) Taxpayers who are married and filing separately may exclude pension income up to \$5,500, reduced by (1) the amount of the taxpayer's federal adjusted gross income that exceeds \$12,750 but not below \$2,750; and by (2) the amount in paragraph (e).

(d) Single taxpayers may exclude pension income up to \$8,000, reduced by (1) the amount of the taxpayer's federal adjusted gross income that exceeds \$22,000 but not below \$5,500; and by (2) the amount in paragraph (e).

(e) The amounts obtained in paragraphs (b) to (d) must be reduced by the sum of:

(1) the portion of the taxpayer's social security benefits excluded from gross income under section 86 of the Internal Revenue Code;

(2) the portion of railroad retirement benefits excluded from gross income under section 86 of the Internal Revenue Code;

(3) other income exempt from taxation under the Internal Revenue Code or this chapter; and

(4) earned income in excess of \$8,000."

Page 13, line 5, delete "3" and insert "5"

Page 13, line 8, after "under" insert "subdivision 3 of"

A roll call was requested and properly seconded.

Vellenga moved to amend the Rice et al amendment to H. F. No. 2590, the first engrossment, as follows:

Page 2, line 15, after the period insert "The provisions of this subdivision apply only to a recipient who is disabled as defined in section 290A.03 or who has attained the age of 55 before the close of the taxable year."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Long	Poppenhagen	Swenson
Anderson, R.	Frerichs	McDonald	Quist	Tompkins
Bauerly	Gutknecht	McPherson	Redalen	Tunheim
Bennett	Haukoos	Morrison	Rest	Uphus
Bishop	Himle	Nelson, C.	Richter	Valento
Boo	Jacobs	Nelson, D.	Riveness	Vellenga
Carlson, D.	Jensen	Ogren	Rose	Voss
Clausnitzer	Johnson, V.	Olson, K.	Schafer	Wagenius
Cooper	Kahn	Onnen	Scheid	Waltman
Dawkins	Kelly	Orenstein	Schreiber	Wynia
Dempsey	Kelso	Otis	Seaberg	Spk. Vanasek
DeRaad	Kludt	Pappas	Segal	
Dille	Krueger	Pauly	Shaver	
Forsythe	Lasley	Peterson	Stanius	

Those who voted in the negative were:

Battaglia	Greenfield	Kostohryz	Neuenschwander	Rukavina
Beard	Gruenes	Larsen	O'Connor	Sarna
Begich	Hartle	Lieder	Olsen, S.	Simoneau
Bertram	Heap	Marsh	Olson, E.	Skoglund
Blatz	Hugoson	McEachern	Omam	Solberg
Brown	Jefferson	McKasy	Osthoff	Sparby
Burger	Jennings	McLaughlin	Ozment	Steensma
Carlson, L.	Johnson, A.	Milbert	Pelowski	Sviggum
Carruthers	Johnson, R.	Miller	Price	Thiede
Clark	Kalis	Minne	Quinn	Tjornhom
Dauner	Kinkel	Munger	Reding	Trimble
DeBlick	Knickerbocker	Murphy	Rice	Welle
Dorn	Knuth	Nelson, K.	Rodosovich	Wenzel
				Winter

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Rice et al amendment, as amended, and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Omman	Scheid
Anderson, R.	Forsythe	Larsen	Onnen	Seaberg
Battaglia	Frederick	Lasley	Orenstein	Segal
Bauerly	Greenfield	Lieder	Osthoff	Shaver
Beard	Gruenes	Long	Otis	Simoneau
Begich	Gutknecht	Marsh	Ozment	Skoglund
Bennett	Hartle	McDonald	Pappas	Solberg
Bertram	Heap	McEachern	Pauly	Sparby
Bishop	Hugoson	McKasy	Pelowski	Stanius
Blatz	Jacobs	McLaughlin	Peterson	Steensma
Boo	Jefferson	McPherson	Poppenhagen	Sviggum
Brown	Jennings	Milbert	Price	Swenson
Burger	Jensen	Miller	Quinn	Thiede
Carlson, D.	Johnson, A.	Minne	Quist	Tjornhom
Carlson, L.	Johnson, R.	Morrison	Redalen	Tompkins
Carruthers	Johnson, V.	Munger	Reding	Trimble
Clark	Kahn	Murphy	Rest	Tunheim
Clausnitzer	Kalis	Nelson, C.	Rice	Uphus
Cooper	Kelly	Nelson, K.	Richter	Valento
Dauner	Kelso	Neuenschwander	Riveness	Vellenga
Dawkins	Kinkel	O'Connor	Rodosovich	Wagenius
DeBlicck	Kludt	Ogren	Rose	Waltman
Dempsey	Knickerbocker	Olsen, S.	Rukavina	Welle
DeRaad	Knuth	Olsen, E.	Sarna	Wenzel
Dille	Kostohryz	Olsen, K.	Schafer	Winter
				Wynia

Those who voted in the negative were:

Frerichs	Himle	Voss
Haukoos	Schreiber	Spk. Vanasek

The motion prevailed and the amendment, as amended, was adopted.

Anderson, G., moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 176, line 1, delete "breakage and"

Pages 176 and 177, delete section 6

Page 190, delete section 28

Page 190, line 15, delete "9, and 28" and insert "8"

Page 190, line 16, delete "10 to 13 and 15 to 27" and insert "9 to 12 and 14 to 16"

Page 190, line 17, delete "14" and insert "13"

Renumber the sections in article 10 in sequence

Amend the title as follows:

Page 1, line 16, delete "2,"

Page 2, line 43, delete "240.15, subdivision 5;"

A roll call was requested and properly seconded.

The question was taken on the Anderson, G., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 105 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dille	Knuth	Omann	Seaberg
Anderson, R.	Dorn	Krueger	Onnen	Segal
Battaglia	Forsythe	Larsen	Orenstein	Simoneau
Bauerly	Frederick	Lasley	Otis	Skoglund
Begich	Greenfield	Lieder	Ozment	Solberg
Bennett	Gruenes	Long	Pappas	Sparby
Bertram	Gutknecht	Marsh	Pelowski	Stanius
Bishop	Hartle	McEachern	Peterson	Steenasma
Blatz	Haukoos	McKasy	Poppenhagen	Swenson
Boo	Hugoson	McLaughlin	Price	Thiede
Brown	Jefferson	Milbert	Quist	Tjornhom
Carlson, D.	Jennings	Miller	Rest	Trimble
Carlson, L.	Johnson, A.	Minne	Rice	Tunheim
Carruthers	Johnson, R.	Munger	Richter	Uphus
Clark	Johnson, V.	Murphy	Riveness	Vellenga
Cooper	Kahn	Nelson, C.	Rodosovich	Voss
Dauner	Kalis	Nelson, D.	Rose	Wagenius
Dawkins	Kelly	Nelson, K.	Rukavina	Welle
DeBleick	Kelso	Neuenschwander	Sarna	Winter
Dempsey	Kinkel	Olson, E.	Schafer	Wynia
DeRaad	Kludt	Olson, K.	Schreiber	Spk. Vanasek

Those who voted in the negative were:

Beard	Himle	McDonald	Olsen, S.	Scheid
Burger	Jacobs	McPherson	Pauly	Shaver
Clausnitzer	Jensen	Morrison	Quinn	Sviggum
Frerichs	Knickerbocker	O'Connor	Redalen	Tompkins
Heap	Kostohryz	Ogren	Reding	Waltman
				Wenzel

The motion prevailed and the amendment was adopted.

The Speaker called Long to the Chair.

Frerichs moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 81, after line 22, insert:

"Sec. 3. Minnesota Statutes 1986, section 290A.03, subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means the amount of gross rent actually paid in cash, or its equivalent, which is attributable (a) to the property tax paid on the unit or (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located plus the gross rent that would be payable for any units that were vacant during the calendar year. In no case may the rent constituting property taxes exceed 50 percent of the gross rent paid by the claimant during that calendar year. In the case of a claimant who resides in a unit for which (1) a rent subsidy is paid to, or for, the claimant based on the income of the claimant or the claimant's family, or (2) a subsidy is paid to a public housing authority that owns or operates the claimant's rental unit, pursuant to United States Code, title 42, section 1437c, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid." For purposes of this subdivision, "rent subsidy" does not include any housing assistance received under aid to families with dependent children, general assistance, Minnesota supplemental assistance, supplemental security income, or similar income maintenance programs."

Page 86, line 27, delete "5, and 8" and insert "6, and 9"

Page 86, line 29, delete "6" and insert "7"

Renumber the sections in article 4 in sequence

Amend the title as follows:

Page 1, line 27, delete "subdivision 7" and insert "subdivisions 7 and 11"

The motion did not prevail and the amendment was not adopted.

Frerichs moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Pages 57 to 59, delete section 24

Page 69, line 2, before "23" insert "and" and delete ", and 24,"

Renumber the sections in article 2 in sequence

Correct internal references in article 2

Page 247, after line 5, insert:

"ARTICLE 15

FOREIGN SOURCE INCOME

Section 1. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 5, is amended to read:

Subd. 5. [DOMESTIC AND FOREIGN CORPORATIONS.] The term "domestic" when applied to a corporation means a corporation created or organized in Minnesota or under its laws; and the term "foreign" when thus applied means a corporation other than a domestic corporation the United States, or under the laws of the United States or of any state, the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States or any political subdivision of any of the foregoing, and any DISC as defined in section 922(a) of the Internal Revenue Code of 1954, as amended through December 31, 1985, or a FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 2. Minnesota Statutes 1986, section 290.01, is amended by adding a subdivision to read:

Subd. 5a. [FOREIGN CORPORATION.] The term "foreign" when applied to a corporation means a corporation other than a domestic corporation.

Sec. 3. Minnesota Statutes 1986, section 290.01, is amended by adding a subdivision to read:

Subd. 6b. [FOREIGN OPERATING CORPORATION.] The term "foreign operating corporation" when applied to a corporation means a domestic corporation that:

(1) is part of a unitary business at least one member of which is taxable in this state and that has less than 20 percent of its average property and payrolls, as determined under section 290.191, assigned to locations inside the United States, the District of Columbia, and possessions of the United States; or

(2) is part of a unitary business at least one member of which is taxable in this state and that has a valid election under section 936 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.17, subdivision 4, is amended to read:

Subd. 4. [UNITARY BUSINESS PRINCIPLE.] (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to farm income subject to subdivision 5, paragraph (a), business income subject to subdivision 5, paragraph (b) or (c), income of an insurance company determined under section 290.35, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which are of mutual benefit, dependent upon, or contributory to one another; individually or as a group. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralizing activities will not necessarily evidence a nonunitary business.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group.

(f) ~~For purposes of determining the~~ If a unitary business is

required to file a combined report, its net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only shall be limited to the income and apportionment factors of domestic corporations or other domestic entities created or organized in the United States or under the laws of the United States or of any state, the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any the foregoing and of any FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1986, that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that other domestic or foreign corporations or other entities organized in foreign countries might be included in the unitary business. None of the net income and apportionment factors of a foreign operating corporation shall be included on the combined report, except that the net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof (in proportion to its share of ownership) with which such corporation is engaged in a unitary business. Such deemed dividend shall be reduced by the deduction under section 290.21, subdivision 4. In determining the amount of net income deemed to be a dividend:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction;

(2) the deduction for dividends received under section 290.21, subdivision 4, shall not be allowed with respect to dividends received from any other domestic or foreign corporation or foreign operating corporation which is part of the unitary business; and

(3) the deduction for payments received from foreign corporations under section 290.211 shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

(g) Each corporation or other entity that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph (f) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph (f) in the denominators of the apportionment formula.

Sec. 5. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF SALES FACTOR.] (a) For purposes of this section, the following rules apply in determining the sales factor.

(b) The sales factor includes all sales, gross earnings, and receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:

(1) interest;

(2) dividends;

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) sales of property used in the trade or business as defined in section 1231(b)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1987, except sales of leased property of a type which is regularly sold as well as leased; and

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1987, or sales of stock.

(c) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(e) (d) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) (e) Notwithstanding paragraphs (b) (c) and (e) (d), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) (f) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

(f) Sales, other than sales of tangible personal property, are made in this state if the property is used, or the benefits of the services are consumed, in this state. If the property is used or the benefits of the services are consumed in more than one state, the sales must be apportioned pro rata according to the portion of use or consumption of benefits in this state.

(g) Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.

(h) Receipts from the lease or rental of tangible personal property (including finance leases and true leases) must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment is located in this state if:

(1) the operation of the property is entirely within this state; or

(2) the operation of the property is in two or more states and the principal base of operations from which the property is sent out is in this state.

(i) Royalties and other income received for the use of or for the privilege of using intangible property including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items must be attributable to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state regardless of the location of the purchaser's customers.

(j) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser uses the intangible property in the regular course of its business operations in this state.

(k) Receipts from the performance of services are in this state if the benefits of the services are consumed by the purchaser in this

state. If the benefits of the services are consumed in more than one state, the receipts from the performance of the service must be apportioned to this state pro rata according to the proportion of benefits consumed in this state to benefits consumed outside this state. If the ratio of benefits consumed within this state to benefits consumed outside this state cannot be determined, receipts from the performance of services must be eliminated from the numerator and denominator of the sales factor.

Sec. 6. Minnesota Statutes 1987 Supplement, section 290.21, subdivision 4, is amended to read:

Subd. 4. (a) Eighty percent of dividends received by a corporation in which the recipient owns 20 percent or more of the stock of such corporation (by vote and value) not including stock described in section 1504(a)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. The remaining 20 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of the other corporation and the dividends were paid from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the remainder shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state.

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of the other corporation, from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the dividends shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state

bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(c) Seventy percent of dividends received by a corporation in which the recipient owns less than 20 percent of the stock of such corporation (by vote and value) not including stock described in section 1504(a)(4) of the Internal Revenue Code as amended through December 31, 1987, during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of income and gain therefrom.

(d) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision shall not be allowed with respect to any dividend for which a deduction is not allowed under the provisions of section 246(c) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

~~(d)~~ (e) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law Number 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) (f) The deduction provided by this subdivision does not apply if the dividends are paid by a FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1986 1987, or qualify as foreign payments under section 290.211.

Sec. 7. [290.211] [DEDUCTION FOR FOREIGN-SOURCE ROYALTIES.]

(a) An amount equal to 80 percent of the payments accrued or received from a foreign corporation shall be allowed to corporations as a deduction from taxable net income. Payments accrued or received from a foreign corporation which qualify for the deduction shall not be included in the taxpayer's apportionment factors under section 290.191.

(b) The deduction provided by this section is allowed only if the payments were received from a corporation that is part of the taxpayer's unitary business.

(c) The deduction provided in this subdivision is allowed only with respect to payments that are included in a corporation's Minnesota taxable net income for the taxable year.

(d) In the case of payments accrued or received from a foreign corporation for the use of or for the privilege of using outside the United States, intangible property as defined in section 936(h)(3)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1987, only such income which is commensurate with the income attributable to the license of intangible property within the meaning of sections 367(d) and 482 of the Internal Revenue Code of 1986, as amended through December 31, 1987, is allowable as a deduction.

(e) If one or more of the members of the unitary group that are included on the combined report received payments as defined in paragraph (a), the deduction under this section for each member of the unitary business required to file a return under this chapter is the product of: (1) 100 percent of the payments, as defined in paragraph (a), received by the members of the group; (2) 80 percent; and (3) the percentage of business income of the unitary business apportionable to this state for the deducting corporation for the taxable year under this chapter.

Sec. 8. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 290.21, subdivision 8, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for taxable years beginning after December 31, 1987. Sections 3 to 6 are effective for taxable years beginning after June 30, 1988. Sections 7 and 8 are effective for taxable years beginning after June 30, 1989.

Page 247, line 6, delete "15" and insert "16"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 56 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Kludd	Onnen	Schreiber
Bennett	Frederick	Knickerbocker	Ozment	Seaberg
Bishop	Frerichs	Marsh	Pauly	Shaver
Blatz	Gruenes	McDonald	Pelowski	Stanius
Boo	Gutknecht	McKasy	Poppenhagen	Sviggum
Burger	Hartle	McPherson	Price	Swenson
Carlson, D.	Haukoos	Miller	Quist	Thiede
Clausnitzer	Heap	Morrison	Redalen	Tjornhom
Dempsey	Himle	Nelson, C.	Richter	Tompkins
DeRaad	Hugoson	Olsen, S.	Rose	Uphus
Dille	Johnson, V.	Omann	Schafer	Valento
				Waltman

Those who voted in the negative were:

Anderson, G.	Greenfield	Larsen	Olson, E.	Segal
Battaglia	Jacobs	Lasley	Olson, K.	Simoneau
Bauerly	Jaros	Lieder	Orenstein	Skoglund
Beard	Jennings	Long	Osthoff	Solberg
Begich	Jensen	McEachern	Otis	Sparby
Bertram	Johnson, A.	McLaughlin	Pappas	Steensma
Brown	Johnson, R.	Milbert	Peterson	Trimble
Carlson, L.	Kahn	Minne	Quinn	Tunheim
Carruthers	Kalis	Munger	Reding	Vellenga
Clark	Kelly	Murphy	Rest	Voss
Cooper	Kelso	Nelson, D.	Riveness	Wagenius
Dauner	Kinkel	Nelson, K.	Rodosovich	Welle
Dawkins	Knuth	Neuenschwander	Rukavina	Wenzel
DeBlick	Kostohryz	O'Connor	Sarna	Winter
Dorn	Krueger	Ogren	Scheid	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Otis moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 74, after line 3, insert:

"Sec. 5. Minnesota Statutes 1986, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during the individual's taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon the individual's salary, wages, or compensation for personal services of any kind for the employer.

If the legislature enacts changes in the tax rates, standard deduction or personal exemption amount, or if the brackets and exemptions are substantially adjusted for changes in the price level under section 290.06, subdivision 2d, the commissioner shall prepare and distribute new withholding tables. The new tables must be effective by (1) the first period of the calendar year to which the changes apply, or (2) as soon as is feasible after the changes in the law were enacted, whichever is later. If the changes in the tables are not distributed by the first period to which the changes in law apply, the commissioner shall notify and consult with the chairs of the tax committees of the house of representatives and the senate regarding the delay.

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in

which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under rules prescribed by the commissioner, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [RULES ON WITHHOLDING.] The commissioner may, by rule, authorize employers:

(a) to estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) to determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) to deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section

6053 of the Internal Revenue Code of 1986, as amended through December 31, 1986, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1986 as amended through December 31, 1986, to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under the employer's control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

(10) [VEHICLE FRINGE BENEFITS.] An employer shall not deduct and withhold any tax under this section with respect to any vehicle fringe benefit provided to an employee if the employer has so elected for federal purposes and the requirement of and the definition contained in section 3402(s) of the Internal Revenue Code of 1986, as amended through December 31, 1986, are complied with."

Renumber the sections in sequence

Page 78, line 36, after the period, insert "Section 5 is effective the day following final enactment."

Page 78, line 36, delete "11" and insert "12"

Page 79, line 3, delete "11" and insert "12"

Amend the title as follows:

Page 1, line 25, delete "subdivision" and insert "subdivisions 2a and"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Welle moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 89, line 4, delete "and"

Page 89, line 5, delete "apartment"

Page 89, line 8, delete "and that portion of class 4 constituting apartment"

Page 89, line 9, delete "property"

Page 89, line 10, delete "and apartment"

Page 90, delete lines 2 to 14

Page 90, line 15, delete "Subd. 5." and insert "Subd. 4."

Page 93, line 36, delete "\$80,000" and insert "\$72,000"

Page 104, line 10, delete "\$80,000" and insert "\$72,000"

Page 104, line 24, delete "53" and insert "52"

Page 104, line 25, delete "\$80,000" and insert "\$72,000"

Page 104, line 25, after the period, insert "The commissioner shall require the county assessors to furnish the data necessary to make the base determinations."

(b) For cities and towns, for taxes payable in 1989, the commissioner shall multiply the amount determined in paragraph (a) by a fraction, the numerator of which is the city or town's certified levy for taxes payable in 1988 plus the amount of local government aid it received in 1988 under chapter 477A, minus the amount of equalization aid the city or town is certified to receive under chapter 477A for taxes payable in 1989. The denominator of the fraction is the city or town's certified levy for taxes payable in 1988."

Page 104, line 26, delete "(b)" and insert "(c)"

Page 104, line 27, delete "(a)" and insert "(b)"

Page 105, line 5, delete "(c)" and insert "(d)"

Page 105, line 7, delete "(b)" and insert "(c)"

Page 105, line 24, delete "\$631,000,000" and insert "\$561,300,000"

Page 106, line 18, delete "53" and insert "52"

Page 112, line 7, delete "and apartment"

Page 112, line 20, delete "and"

Page 112, line 21, delete "apartment"

Page 124, line 26, strike "previous year"

Page 124, line 27, before the comma, insert "for the year two years prior to the aid distribution"

Page 124, line 32, strike "two" and insert "three"

Page 124, after line 35, insert:

"Sec. 33. Minnesota Statutes 1986, section 477A.011, subdivision 13, is amended to read:

Subd. 13. [FISCAL MUNICIPAL NEED FACTOR.] For any calendar year 1989 and subsequent years' aid distribution distributions, a city's fiscal municipality's need factor means the three year arithmetic average of the sum of its municipal levy including its fiscal disparities distribution amount, and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The fiscal need factor of any city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be increased by one-fourth of the amount of the bonds issued.

For any city which received more than \$70 per capita in attached machinery aids in 1983 pursuant to Minnesota Statutes 1982, section 273.138, the local government aid amounts for 1984 and 1985 used in the calculation of the fiscal need factor shall be reduced by the amount of attached machinery aids received in 1983 municipality's levy for the three years beginning with the year four years prior to the aid distribution year. In no case shall a municipality's need factor exceed \$300 per household."

Page 124, line 36, delete "33" and insert "34"

Page 125, after line 13, insert:

"Sec. 35. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 19. [EQUALIZED MILL RATE.] For any calendar year, a municipality's or county's equalized mill rate means its mill rate for taxes payable in that year multiplied by its aggregate sales ratio for the previous year as prepared by the department of revenue under section 124.2131."

Page 125, line 14, delete "34" and insert "36"

Page 125, line 18, delete "total of (a) the"

Page 125, line 18, strike "aid amount"

Page 125, delete line 19

Page 125, line 20, delete "clause and (b) the"

Page 125, line 27, delete "under (b)"

Page 125, line 29, delete "clause (b),"

Page 125, line 32, delete "clause (b),"

Page 125, after line 35, insert:

"Sec. 37. Minnesota Statutes 1987 Supplement, section 477A.013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS TAX BASE EQUALIZATION AID.]

Subdivision 1. [TOWNS AID AMOUNT.] In calendar year 1988 and calendar years thereafter, 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) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03 Effective for 1989 and each year thereafter, each municipality is eligible to receive a municipal tax base equalization aid determined under this section.

For each municipality, a local share mill rate shall be determined equal to the mill rate that yields an amount equal to the municipal need factor per household when applied to the guaranteed tax base per household.

Each municipality's aid amount shall be determined by applying the local share mill rate to the municipality's adjusted assessed value, and subtracting that amount from the municipal need factor. The resulting amount shall be the municipality's equalization aid

amount, except that if the amount is less than zero the municipality will receive no aid.

The commissioner of revenue shall determine the "guaranteed tax base per household" so that the aid amounts to all municipalities equal the limitation amount appropriated for this purpose in this section.

Subd. 2. [CITIES AID LIMITATION.] In calendar year 1988 and calendar years thereafter, each city shall receive a local government aid distribution equal to the amount that the city was certified to receive for calendar year 1987 under this subdivision. The total amount available for distribution to municipalities under subdivision 1 is \$90,000,000 for calendar year 1989.

Subd. 3. [GENERAL LOCAL GOVERNMENT AID.] In addition to the aid determined under subdivisions 1 and 2, each municipality shall receive a distribution equal to the amount it was eligible to receive in 1988 under section 477A.011 to 477A.013."

Page 125, line 36, delete "35" and insert "38"

Page 126, line 4, after the period, insert "For purposes of determining the aid distribution under section 37, the 1986 adjusted assessed values shall be recomputed and the 1987 adjusted assessed values shall be computed using the assessment classification ratios for property taxes payable in 1989, under Laws 1987, chapter 268, article 6."

Page 126, line 5, delete "36" and insert "39"

Page 126, line 13, delete "37" and insert "40"

Page 126, line 19, delete "38" and insert "41"

Page 126, line 26, delete "39" and insert "42"

Page 126, line 33, delete "40" and insert "43"

Amend the title as follows:

Page 1, line 46, delete "subdivision 11" and insert "subdivisions 11 and 13"

Page 1, line 46, delete "a subdivision" and insert "subdivisions"

Page 2, line 38, after "subdivision 1;" insert "477A.013;"

A roll call was requested and properly seconded.

The question was taken on the Welle amendment and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Kinkel	Onnen	Steensma
Anderson, R.	Frederick	Kludt	Pappas	Sviggum
Bauerly	Frerichs	Krueger	Pelowski	Thiede
Bertram	Gruenes	Lasley	Peterson	Trimble
Bishop	Gutknecht	Lieder	Poppenhagen	Tunheim
Boo	Hartle	Marsh	Quist	Uphus
Brown	Haukoos	McEachern	Redalen	Vellenga
Carlson, D.	Hugoson	Miller	Reding	Waltman
Cooper	Jaros	Nelson, C.	Rice	Welle
Dauner	Jennings	Neuenschwander	Richter	Wenzel
DeBlieck	Johnson, R.	Ogren	Rodosovich	Winter
Dempsey	Johnson, V.	Olson, E.	Schafer	
DeRaad	Kalis	Olson, K.	Solberg	
Dille	Kelly	Omam	Sparby	

Those who voted in the negative were:

Battaglia	Himle	McLaughlin	Ozment	Simoneau
Beard	Jacobs	McPherson	Pauly	Skoglund
Begich	Jefferson	Milbert	Price	Stanius
Bennett	Jensen	Minne	Quinn	Swenson
Blatz	Johnson, A.	Morrison	Rest	Tjornhom
Burger	Kahn	Munger	Riveness	Tompkins
Carlson, L.	Kelso	Murphy	Rose	Valento
Carruthers	Knickerbocker	Nelson, D.	Rukavina	Voss
Clark	Knuth	Nelson, K.	Sarna	Wagenius
Clausnitzer	Kostohryz	O'Connor	Scheid	Wynia
Dawkins	Larsen	Olsen, S.	Schreiber	Spk. Vanasek
Forsythe	Long	Orenstein	Seaberg	
Greenfield	McDonald	Osthoff	Segal	
Heap	McKasy	Otis	Shaver	

The motion did not prevail and the amendment was not adopted.

Uphus was excused for the remainder of today's session.

Frerichs moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 204, after line 6, insert:

"Sec. 12. Minnesota Statutes 1986, section 297A.25, subdivision 28, is amended to read:

Subd. 28. [WASTE PROCESSING EQUIPMENT.] The gross receipts from the sale of equipment and building materials used or installed for processing solid or hazardous waste at a resource

recovery facility, as defined in section 115A.03, subdivision 28, are exempt."

Page 210, line 33, after the period insert "Section 12 is effective retroactive to July 1, 1984."

Renumber sections in article 11 in sequence

Correct internal references in article 11

Amend the title as follows:

Page 1, line 34, after "27," insert "28,"

The motion did not prevail and the amendment was not adopted.

Quist moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 259, after line 23, insert:

"Sec. 18. [CONSTITUTIONAL AMENDMENT PROPOSED.]

The following amendment to the Minnesota Constitution, article X, is proposed to the people. If the amendment is adopted, the new section will read as follows:

Sec. 9. The following definitions apply to this section.

(1) "Net state tax revenues" means state tax revenues as decreased by the amount of state tax revenues abated or refunded.

(2) "State tax revenues" means the revenues of the state from every tax, surtax, receipt, penalty, and other monetary exaction, and interest on those things, excluding federal reimbursements, proceeds from bond issue, earnings on investments, tuitions, fees, service charges, and other departmental revenues.

The governor and the legislature shall endeavor for each fiscal year to establish and approve a budget for the state and set rates of taxation for the citizens of the state so that any percentage increase in net state tax revenues does not exceed the anticipated percentage increase in total Minnesota wages and salaries.

Sec. 19. [SUBMISSION TO VOTERS.]

The amendment proposed in section 18 must be submitted to the people at the 1988 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to limit the growth of state tax revenues?"

Yes
No

Page 259, line 35, delete "19" and insert "21"

Renumber the sections in article 15 in sequence

Amend the title as follows:

Page 1, line 10, after "County;" insert "proposing an amendment to the Minnesota Constitution, article X, by adding a section;"

A roll call was requested and properly seconded.

The question was taken on the Quist amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 50 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bennett	Frederick	Knickerbocker	Ozment	Seaberg
Bishop	Frerichs	Marsh	Pauly	Shaver
Blatz	Gruenes	McDonald	Pelowski	Stanius
Boo	Gutknecht	McKasy	Poppenhagen	Sviggum
Burger	Hartle	McPherson	Quist	Swenson
Clausnitzer	Haukoos	Miller	Redalen	Thiede
Dempsey	Heap	Morrison	Richter	Tjornhom
DeRaad	Himle	Olsen, S.	Rose	Tompkins
Dille	Hugoson	Omman	Schafer	Valento
Forsythe	Johnson, V.	Onnen	Schreiber	Waltman

Those who voted in the negative were:

Anderson, G.	Dorn	Knuth	Nelson, K.	Riveness
Anderson, R.	Greenfield	Kostohryz	Neuenschwander	Rodosovich
Battaglia	Jacobs	Krueger	O'Connor	Rukavina
Bauerly	Jaros	Larsen	Ogren	Sarna
Beard	Jefferson	Lasley	Olson, E.	Scheid
Begich	Jennings	Lieder	Olson, K.	Segal
Bertram	Jensen	Long	Orenstein	Simoneau
Brown	Johnson, A.	McEachern	Osthoff	Skoglund
Carlson, L.	Johnson, R.	McLaughlin	Otis	Solberg
Carruthers	Kahn	Milbert	Peterson	Sparby
Clark	Kalis	Minne	Price	Steensma
Cooper	Kelly	Munger	Quinn	Trimble
Dauner	Kelso	Murphy	Reding	Tunheim
Dawkins	Kinkel	Nelson, C.	Rest	Vellenga
DeBlick	Kludt	Nelson, D.	Rice	Voss

Wagenius
Welle

Wenzel
Winter

Wynia
Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Knickerbocker, Blatz and Tompkins moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 93, line 36, delete "\$80,000" and insert "\$100,000"

Page 104, lines 10 and 25, delete "\$80,000" and insert "\$100,000"

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker et al' amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 35 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Haukoos	Olsen, S.	Seaberg
Bennett	DeRaad	Heap	Orenstein	Shaver
Blatz	Dille	Himle	Pauly	Stanius
Boo	Forsythe	Knickerbocker	Poppenhagen	Swenson
Burger	Frederick	McDonald	Rose	Tjornhom
Carruthers	Frerichs	McKasy	Scheid	Tompkins
Clausnitzer	Gutknecht	McPherson	Schreiber	Valento

Those who voted in the negative were:

Anderson, G.	Hartle	Larsen	Olson, K.	Sarna
Battaglia	Hugoson	Lasley	Omann	Segal
Bauerly	Jacobs	Lieder	Onnen	Simoneau
Beard	Jaros	Marsh	Osthoff	Skoglund
Begich	Jefferson	McEachern	Otis	Solberg
Bertram	Jennings	McLaughlin	Ozment	Sparby
Bishop	Jensen	Milbert	Pappas	Steenasma
Brown	Johnson, A.	Miller	Pelowski	Sviggum
Carlson, D.	Johnson, R.	Minne	Peterson	Thiede
Carlson, L.	Kahn	Munger	Price	Trimble
Clark	Kalis	Murphy	Quinn	Tunheim
Cooper	Kelly	Nelson, C.	Quist	Vellenga
Dauner	Kelso	Nelson, D.	Redalen	Voss
Dawkins	Kinkel	Nelson, K.	Reding	Wagenius
DeBlick	Kludd	Neuenschwander	Rest	Welle
Dorn	Knuth	O'Connor	Riveness	Wenzel
Greenfield	Kostohryz	Ogren	Rodosovich	Winter
Gruenes	Krueger	Olson, E.	Rukavina	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

McKasy moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 43, after line 32, insert:

"Sec. 13. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION OF TAX.] For taxable years beginning after December 31, 1986, and before January 1, 1990 1989, in addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, of:

- (1) .001 multiplied by the alternative minimum tax base, over
- (2) the amount of tax computed under this chapter without regard to this section."

Page 47, lines 13 and 14, strike "1989" and insert "1988"

Renumber the sections in article 2 in sequence

Correct internal references

Amend the title as follows:

Page 2, line 18, after "subdivisions" insert "1,"

A roll call was requested and properly seconded.

The question was taken on the McKasy amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 64 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	DeBlicke	Haukoos	Marsh	Onnen
Bauerly	Dempsey	Heap	McDonald	Ozment
Bennett	DeRaad	Himle	McKasy	Pauly
Bertram	Dille	Hugoson	McPherson	Pelowski
Bishop	Forsythe	Jennings	Milbert	Poppenhagen
Blatz	Frederick	Johnson, R.	Miller	Quist
Boo	Frerichs	Johnson, V.	Morrison	Redalen
Burger	Gruenes	Kelso	Olsen, S.	Richter
Carlson, D.	Gutknecht	Kludt	Olson, K.	Rose
Clausnitzer	Hartle	Knickerbocker	Omann	Schafer

Schreiber	Skoglund	Swenson	Tompkins	Welle
Seaberg	Stanius	Thiede	Valento	Wenzel
Shaver	Sviggum	Tjornhom	Waltman	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lieder	Orenstein	Scheid
Battaglia	Jefferson	Long	Osthoff	Segal
Beard	Jensen	McEachern	Otis	Simoneau
Begich	Johnson, A.	McLaughlin	Pappas	Solberg
Brown	Kahn	Minne	Peterson	Sparby
Carlson, L.	Kalis	Munger	Price	Steensma
Carruthers	Kelly	Murphy	Reding	Trimble
Clark	Kinkel	Nelson, C.	Rest	Tunheim
Cooper	Knuth	Nelson, K.	Rice	Vellenga
Dauner	Kostohryz	Neuenschwander	Riveness	Voss
Dawkins	Krueger	O'Connor	Rodosovich	Wagenius
Dorn	Larsen	Ogren	Rukavina	Winter
Greenfield	Lasley	Olson, E.	Sarna	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

McKasy and Blatz moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 11, after line 32, insert:

"Sec. 8. Minnesota Statutes 1987 Supplement, section 290.067, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed \$720 in any taxable year, and the total credit for all dependents of a claimant shall not exceed \$1,440 in a taxable year. The maximum total credit shall be reduced according to the amount of the income of the claimant and a spouse, if any, as follows:

income up to \$12,200, \$720 maximum for one dependent, \$1,440 for all dependents;

income over \$12,200, the maximum credit for one dependent shall be reduced by ~~\$12~~ \$6 for every \$200 of additional income, ~~\$24~~ \$12 for all dependents;

for income of \$24,001 and over, no credit shall be received.

The commissioner shall construct and make available to taxpayers tables showing the amount of the credit at various levels of income and expenses. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transitions between expenses and income brackets."

Page 28, delete line 28, and insert "4, 5, 7 to 11, 13, 14, 15, 19, and 20 are effective for"

Page 28, line 33, delete "11" and insert "12"

Page 28, line 35, delete "15" and insert "16"

Renumber the sections in article 1 in sequence

Amend the title as follows:

Page 2, line 17, after "21," insert "290.067, subdivision 2,"

A roll call was requested and properly seconded.

The question was taken on the McKasy and Blatz amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 60 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Jennings	Olson, K.	Schafer
Bennett	Dorn	Johnson, V.	Omann	Schreiber
Bishop	Forsythe	Kludt	Onnen	Seaberg
Blatz	Frederick	Knickerbocker	Orenstein	Shaver
Boo	Frerichs	Lasley	Ozment	Stanius
Burger	Gruenes	Marsh	Pauly	Sviggum
Carlson, D.	Gutknecht	McDonald	Pelowski	Swenson
Clausnitzér	Hartle	McKasy	Poppenhagen	Thiede
Cooper	Haukoos	McPherson	Quist	Tjornhom
Dauner	Heap	Miller	Redalen	Tompkins
Dempsey	Himle	Morrison	Richter	Valento
DeRaad	Hugoson	Olsen, S.	Rose	Waltman

Those who voted in the negative were:

Anderson, G.	Jaros	Larsen	Olson, E.	Simoneau
Battaglia	Jefferson	Lieder	Otis	Skoglund
Bauerly	Jensen	Long	Pappas	Solberg
Beard	Johnson, A.	McEachern	Peterson	Steenma
Begich	Johnson, R.	Minne	Price	Trimble
Bertram	Kahn	Munger	Reding	Tunheim
Brown	Kalis	Murphy	Rest	Voss
Carlson, L.	Kelly	Nelson, C.	Rice	Wagenius
Carruthers	Kelso	Nelson, D.	Riveness	Welle
Dawkins	Kinkel	Nelson, K.	Rodosovich	Wenzel
DeBlieck	Knuth	Neuenschwander	Rukavina	Winter
Greenfield	Kostohryz	O'Connor	Sarna	Spk. Vanasek
Jacobs	Krueger	Ogren	Segal	

The motion did not prevail and the amendment was not adopted.

Greenfield moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 172 to page 179, delete section 1 to section 9 of Article 10 from the bill

A roll call was requested and properly seconded.

The question was taken on the Greenfield amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 37 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Bauerly	Gutknecht	Munger	Rodosovich	Tunheim
Begich	Jefferson	Nelson, D.	Rose	Voss
Bertram	Johnson, R.	Omann	Skoglund	Wagenius
Carlson, D.	Kahn	Otis	Sparby	Winter
Carruthers	Kalis	Pappas	Stanius	Wynia
Clark	Long	Poppenhagen	Steenma	
Greenfield	Marsh	Rice	Tjornhom	
Gruenes	McLaughlin	Riveness	Trimble	

Those who voted in the negative were:

Anderson, G.	Forsythe	Knuth	Ogren	Scheid
Anderson, R.	Frederick	Kostohryz	Olsen, S.	Schreiber
Battaglia	Frerichs	Krueger	Olson, E.	Seaberg
Beard	Hartle	Larsen	Onnen	Segal
Bennett	Haukoos	Lasley	Orenstein	Shaver
Blatz	Heap	Lieder	Osthoff	Simoneau
Boo	Himle	McDonald	Ozment	Solberg
Brown	Hugoson	McEachern	Pauly	Sviggum
Burger	Jacobs	McKasy	Pelowski	Swenson
Carlson, L.	Jaros	McPherson	Peterson	Thiede
Clausnitzer	Jennings	Milbert	Price	Tompkins
Cooper	Jensen	Miller	Quinn	Valento
Dauner	Johnson, A.	Minne	Quist	Vellenga
Dawkins	Johnson, V.	Morrison	Redalen	Waltman
DeBlicck	Kelly	Murphy	Reding	Welle
Dempsey	Kelso	Nelson, C.	Rest	Wenzel
DeRaad	Kinkel	Nelson, K.	Rukavina	Spk. Vanasek
Dille	Kludt	Neuenschwander	Sarna	
Dorn	Knickerbocker	O'Connor	Schafer	

The motion did not prevail and the amendment was not adopted.

Anderson, R., moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 3, line 15, strike "one-half" and insert "two-thirds"

A roll call was requested and properly seconded.

The question was taken on the Anderson, R., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 38 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Hugoson	Morrison	Seaberg
Bishop	Forsythe	Johnson, V.	Omann	Shaver
Boo	Frederick	Knickerbocker	Onnen	Swiggum
Burger	Frerichs	Marsh	Poppenhagen	Swenson
Carlson, D.	Gruenes	McDonald	Quist	Thiede
Clausnitzer	Gutknecht	McKasy	Redalen	Waltman
Dempsey	Hartle	McPherson	Richter	
DeRaad	Heap	Miller	Schafer	

Those who voted in the negative were:

Anderson, G.	Haukoos	Larsen	Osthoff	Skoglund
Battaglia	Himle	Lasley	Otis	Solberg
Bauerly	Jacobs	Lieder	Ozment	Sparby
Beard	Jefferson	Long	Pappas	Steensma
Begich	Jennings	McEachern	Pelowski	Trimble
Bertram	Jensen	McLaughlin	Peterson	Tunheim
Blatz	Johnson, A.	Milbert	Price	Vellenga
Brown	Johnson, R.	Minne	Quinn	Voss
Carlson, L.	Kahn	Murphy	Reding	Wagenius
Carruthers	Kalis	Nelson, C.	Rest	Welle
Clark	Kelly	Nelson, D.	Rice	Wenzel
Cooper	Kelso	O'Connor	Riveness	Winter
Dauner	Kinkel	Ogren	Rodosovich	Wynia
Dawkins	Khudt	Olsen, S.	Sarna	Spk. Vanasek
DeBlick	Knuth	Olson, E.	Scheid	
Dorn	Kostohryz	Olson, K.	Segal	
Greenfield	Krueger	Orenstein	Simoneau	

The motion did not prevail and the amendment was not adopted.

Schreiber moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 96, line 34, strike "and"

Page 97, line 1, before the period insert "; and

(5) day care facilities used to operate child care programs. For purposes of this clause, day care facilities means facilities, other than residences, that provide day or night care for children including the structures and land used in the operation of the child care

programs. The term includes facilities operating programs for children that are known as nursery schools, day nurseries, child care centers, play groups, day care centers for school children, after-school programs, infant-day care centers, cooperative day care centers, and head start programs. The facility must be licensed if licensure is required by the department of human services. This clause does not subject to property taxes any facility that is exempt under section 272.02 or other law."

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Shaver
Anderson, R.	Frerichs	Larsen	Osthoff	Simoneau
Battaglia	Greenfield	Lasley	Otis	Skoglund
Bauerly	Gruenes	Lieder	Ozment	Solberg
Beard	Gutknecht	Long	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Haukoos	McDonald	Pelowski	Steensma
Bertram	Heap	McEachern	Peterson	Sviggum
Bishop	Himle	McKasy	Poppenhagen	Swenson
Blatz	Hugoson	McLaughlin	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jaros	Milbert	Quist	Tompkins
Burger	Jefferson	Miller	Redalen	Trimble
Carlson, D.	Jennings	Minne	Reding	Tunheim
Carlson, L.	Jensen	Morrison	Rest	Valento
Carruthers	Johnson, A.	Munger	Rice	Vellenga
Clark	Johnson, R.	Murphy	Richter	Voss
Clausnitzer	Johnson, V.	Nelson, C.	Riveness	Wagenius
Cooper	Kahn	Nelson, D.	Rodosovich	Waltman
Dauner	Kalis	Nelson, K.	Rose	Welle
Dawkins	Kelly	O'Connor	Rukavina	Wenzel
DeBlicke	Kelso	Ogren	Sarna	Winter
Dempsey	Kinkel	Olsen, S.	Schafer	Wynia
DeRaad	Kludt	Olson, E.	Scheid	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Schreiber	
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

The motion prevailed and the amendment was adopted.

Rice and Jacobs moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 1, line 5 of the Vellenga amendment to the Rice amendment,

delete "55" and insert "50"

A roll call was requested and properly seconded.

The question was taken on the Rice and Jacobs amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 108 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hartle	Marsh	Ozment	Shaver
Battaglia	Haukoos	McEachern	Pauly	Simoneau
Bauerly	Heap	McKasy	Pelowski	Skoglund
Beard	Hugoson	McLaughlin	Peterson	Solberg
Begich	Jacobs	McPherson	Poppenhagen	Sparby
Bertram	Jaros	Milbert	Price	Stanius
Blatz	Jefferson	Miller	Quinn	Steensma
Boo	Jennings	Morrison	Quist	Sviggum
Carlson, L.	Jensen	Munger	Redalen	Swenson
Carruthers	Johnson, A.	Murphy	Reding	Tjornhom
Clark	Johnson, R.	Nelson, C.	Rest	Trimble
Clausnitzer	Johnson, V.	Nelson, K.	Rice	Tunheim
Cooper	Kalis	Neuenschwander	Richter	Valento
Dawkins	Kelso	O'Connor	Riveness	Vellenga
DeBlieck	Kinkel	Ogren	Rodosovich	Wagenius
Dempsey	Kludt	Olsen, S.	Rukavina	Waltman
DeRaad	Knickerbocker	Olson, E.	Sarna	Welle
Dorn	Knuth	Olson, K.	Schafer	Wenzel
Forsythe	Kostohryz	Omamm	Scheid	Winter
Greenfield	Krueger	Orenstein	Schreiber	Spk. Vanasek
Gruenes	Larsen	Osthoff	Seaberg	
Gutknecht	Lieder	Otis	Segal	

Those who voted in the negative were:

Burger	Frederick	McDonald	Rose	Wynia
Carlson, D.	Himle	Minne	Thiede	
Dauner	Kahn	Onnen	Tompkins	
Dille	Long	Pappas	Voss	

The motion prevailed and the amendment was adopted.

Pauly moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 201, delete lines 14 to 22 and insert:

"Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, ~~prescribed~~ and medicine and ~~insulin~~, 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 are exempt, together with including prescription glasses, and therapeutic, and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients in them."

A roll call was requested and properly seconded.

The question was taken on the Pauly amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 66 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Johnson, R.	Olson, K.	Schafer
Beard	Dorn	Johnson, V.	Omann	Schreiber
Bennett	Forsythe	Kinkel	Onnen	Seaberg
Bishop	Frederick	Knickerbocker	Ozment	Shaver
Blatz	Frerichs	Marsh	Pauly	Stanius
Boo	Gruenes	McDonald	Pelowski	Steenasma
Burger	Gutknecht	McKasy	Poppenhagen	Svigum
Carlson, D.	Hartle	McPherson	Price	Swenson
Clausnitzer	Haukoos	Miller	Quist	Thiede
Dauner	Heap	Morrison	Redalen	Tjornhom
DeBlick	Himle	Nelson, C.	Richter	Tompkins
Dempsey	Hugoson	Neuenschwander	Rodosovich	Valento
DeRaad	Jennings	Olsen, S.	Rose	Waltman
				Winter

Those who voted in the negative were:

Anderson, G.	Jefferson	Long	Otis	Solberg
Battaglia	Jensen	McEachern	Pappas	Sparby
Bauerly	Johnson, A.	McLaughlin	Peterson	Trimble
Begich	Kahn	Milbert	Quinn	Tunheim
Bertram	Kalis	Minne	Reding	Vellenga
Brown	Kelly	Munger	Rest	Voss
Carlson, L.	Kelso	Murphy	Rice	Wagenius
Carruthers	Kludt	Nelson, D.	Riveness	Welle
Clark	Knuth	Nelson, K.	Rukavina	Wenzel
Cooper	Kostohryz	O'Connor	Sarna	Wynia
Dawkins	Krueger	Ogren	Scheid	Spk. Vanasek
Greenfield	Larsen	Olson, E.	Segal	
Jacobs	Lasley	Orenstein	Simoneau	
Jaros	Lieder	Osthoff	Skoglund	

The motion did not prevail and the amendment was not adopted.

Tjornhom, Clausnitzer, Omann, Uphus, Stanius, McDonald, Marsh and Carlson, D., moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 11, after line 32, insert:

"Sec. 8: Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [MILITARY PAY CREDIT.] A taxpayer may take a credit against the tax due under this chapter for compensation for personal services in the reserve components of the United States military and naval forces and the Minnesota national guard. The amount of the credit is equal to the sum of:

(1) eight percent of compensation not exceeding \$3,000; and

(2) eight percent of additional compensation not exceeding \$2,000 for personal services wholly performed outside the state of Minnesota."

Page 28, delete line 28, and insert "4, 5, 7 to 11, 13, 14, 15, 19, and 20 are effective for"

Page 28, line 33, delete "11" and insert "12"

Page 28, line 35, delete "15" and insert "16"

Renumber the sections in article 1 in sequence

Amend the title as follows:

Page 1, line 23, delete "a subdivision" and insert "subdivisions"

A roll call was requested and properly seconded.

The question was taken on the Tjornhom et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 117 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Boo	DeBlieck	Gutknecht	Johnson, A.
Battaglia	Brown	Dempsey	Hartle	Johnson, R.
Bauerly	Burger	DeRaad	Haukoos	Johnson, V.
Beard	Carlson, D.	Dille	Heap	Kalis
Begich	Carlson, L.	Dorn	Himle	Kelly
Bennett	Carruthers	Forsythe	Hugoson	Kelso
Bertram	Clausnitzer	Frederick	Jacobs	Kinkel
Bishop	Cooper	Frerichs	Jennings	Kludt
Blatz	Dauner	Gruenes	Jensen	Knickerbocker

Knuth	Munger	Otis	Rodosovich	Swenson
Kostohryz	Murphy	Ozment	Rose	Thiede
Krueger	Nelson, C.	Pappas	Sarna	Tjornhom
Larsen	Nelson, D.	Pauly	Schafer	Tompkins
Lasley	Nelson, K.	Pelowski	Scheid	Trimble
Lieder	Neuenschwander	Peterson	Schreiber	Tunheim
Marsh	O'Connor	Poppenhagen	Seaberg	Valento
McDonald	Ogren	Price	Segal	Wagenius
McEachern	Olson, S.	Quinn	Shaver	Waltman
McKasy	Olson, E.	Quist	Skoglund	Welle
McPherson	Olson, K.	Redalen	Solberg	Wenzel
Milbert	Omann	Reding	Sparby	Winter
Miller	Onnen	Rest	Stanius	
Minne	Orenstein	Richter	Steenasma	
Morrison	Osthoff	Riveness	Sviggum	

Those who voted in the negative were:

Anderson, G.	Kahn	Rukavina	Voss
Clark	Long	Simoneau	Wynia
Greenfield	McLaughlin	Vellenga	Spk. Vanasek

The motion prevailed and the amendment was adopted.

Valento moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 247, after line 2, insert:

"Sec. 3. [REPEALER.]

Laws 1987, chapter 268, article 18, section 5, is repealed."

Page 247, line 3, delete "3" and insert "4"

Page 247, line 4, delete "Section 2 is" and insert "Sections 2 and 3 are"

Amend the title as follows:

Page 2, line 58, delete "and" and before the period insert "; and article 18, section 5"

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dille	Johnson, V.	Orenstein	Sparby
Bauerly	Dorn	Kludt	Ozment	Stanisus
Bennett	Forsythe	Knickerbocker	Pauly	Sviggum
Bertram	Frederick	Marsh	Pelowski	Swenson
Bishop	Frerichs	McDonald	Poppenhagen	Thiede
Blatz	Gruenes	McKasy	Quist	Tjornhom
Boo	Gutknecht	McPherson	Redalen	Tompkins
Burger	Hartle	Miller	Richter	Valento
Carlson, D.	Haukoos	Morrison	Rose	Wagenius
Clausnitzer	Heap	Olsen, S.	Schafer	Waltman
Dauner	Himle	Olson, K.	Schreiber	
Dempsey	Hugoson	Omam	Seaberg	
DeRaad	Jennings	Onnen	Shaver	

Those who voted in the negative were:

Anderson, G.	Jefferson	Lieder	Olson, E.	Scheid
Battaglia	Jensen	Long	Osthoff	Segal
Beard	Johnson, A.	McEachern	Otis	Simoneau
Begich	Johnson, R.	McLaughlin	Pappas	Solberg
Brown	Kahn	Milbert	Peterson	Steenasma
Carlson, L.	Kalis	Minne	Price	Trimble
Carruthers	Kelly	Munger	Quinn	Tunheim
Clark	Kelso	Murphy	Reding	Vellenga
Cooper	Kinkel	Nelson, C.	Rest	Voss
Dawkins	Knuth	Nelson, D.	Rice	Welle
DeBlick	Kostohryz	Nelson, K.	Riveness	Wenzel
Greenfield	Krueger	Neuenschwander	Rodosovich	Winter
Jacobs	Larsen	O'Connor	Rukavina	Wynia
Jaros	Lasley	Ogren	Sarna	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend H. F. No. 2590, the first engrossment, as amended, as follows:

Page 125, line 25, delete "one-half" and insert "two-thirds"

Page 125, line 30, delete "17,800,000" and insert "12,700,000"

The motion did not prevail and the amendment was not adopted.

H. F. No. 2590, A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; changing the computation, administration, and payment of aids, credits, and refunds; limiting taxing powers; transferring and imposing governmental powers and duties; making technical corrections and clarifications; providing bonding authority to Hennepin County; imposing penalties; appropriating money and reducing appropriations; amending Minnesota Statutes 1986, sections 69.031, subdivision 3; 168.011, subdivision 8; 168.012, subdivision 9; 237.075, subdivision 8; 240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 3, and 6; 240.18; 270.075, subdivision 2; 270.41; 270.70, subdivision 1; 271.01, subdi-

vision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.13, by adding a subdivision; 273.40; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding a subdivision; 290.06, by adding subdivisions; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.92, subdivisions 2a and 21; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.02, subdivision 4; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivisions 5, 8, 27, and by adding subdivisions; 297A.256; 297C.02, subdivisions 3 and 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 375.83; 473.167, subdivisions 2, 3, and by adding subdivisions; 473.249, subdivision 1, and by adding a subdivision; 473.446, subdivision 3, and by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; 473.843, subdivision 2; 477A.011, subdivision 11, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124A.02, subdivisions 3a and 11; 240.13, subdivision 5; 270.485; 272.02, subdivision 1; 272.115, subdivision 4; 272.121; 273.061, subdivision 1; 273.1195; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.165, subdivision 2; 273.42, subdivision 2; 274.01, subdivision 1; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and 8; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01, subdivisions 3a, 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 1, 2c, and 21; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivision; 290.095, subdivisions 1, 3, and by adding a subdivision; 290.10; 290.17, subdivision 2; 290.191, subdivisions 6 and 11; 290.21, subdivisions 3 and 4; 290.35, subdivision 2; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 13, 14, and 15; 290A.04, subdivision 2; 290A.06; 295.32; 295.34, subdivision 1; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297B.03; 297C.04; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, 4, and by adding subdivisions; 473.446, subdivision 1; 475.53, subdivision 4; 475.61, subdivision 3; 477A.012, subdivision 1; and 508.25; Laws 1987, chapter 268, article 6, sections

19, 53, and 54; and article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 273; 275; 290; 290A; 297; 297C; 298; 349; and 424A; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivisions 7a and 30; 275.035; 275.49; 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; 297A.15; subdivision 2; 297C.03, subdivision 5; 298.401; and 299.013; Minnesota Statutes 1987 Supplement, sections 273.1195; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290.06, subdivision 20; 290.077, subdivision 1; 290.14; 290.371, subdivision 2; 290A.04, subdivisions 2a and 2b; 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; Laws 1987, chapter 268, article 3, section 11; and article 5, section 4.

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 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Kostohryz	Olson, K.	Schreiber
Anderson, R.	Frerichs	Krueger	Omman	Seaberg
Battaglia	Greenfield	Larsen	Onnen	Segal
Bauerly	Gruenes	Lasley	Orenstein	Shaver
Beard	Gutknecht	Lieder	Osthoff	Simoneau
Begich	Hartle	Long	Otis	Skoglund
Bennett	Haukoos	Marsh	Ozment	Solberg
Bertram	Heap	McDonald	Pauly	Sparby
Bishop	Himle	McEachern	Pelowski	Stanius
Blatz	Hugoson	McKasy	Peterson	Steensma
Boo	Jacobs	McLaughlin	Poppenhagen	Sviggum
Brown	Jaros	McPherson	Price	Swenson
Carlson, D.	Jefferson	Milbert	Quinn	Thiede
Carlson, L.	Jennings	Miller	Quist	Tjornhom
Carruthers	Jensen	Minne	Redalen	Tompkins
Clark	Johnson, A.	Morrison	Reding	Trimble
Clausnitzer	Johnson, R.	Munger	Rest	Tunheim
Cooper	Johnson, V.	Murphy	Rice	Valento
Dauner	Kahn	Nelson, C.	Richter	Vellenga
Dawkins	Kalis	Nelson, D.	Riveness	Voss
DeBlieck	Kelly	Nelson, K.	Rodosovich	Wagenius
Dempsey	Kelso	Neuenschwander	Rose	Waltman
DeRaad	Kinkel	O'Connor	Rukavina	Welle
Dille	Kludt	Ogren	Sarna	Wenzel
Dorn	Knickerbocker	Olsen, S.	Schafer	Winter
Forsythe	Knuth	Olson, E.	Scheid	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Burger Pappas

The bill was passed, as amended, and its title agreed to.

Wynia 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.

Simoneau and Bauerly were excused for the remainder of today's session.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1750, A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

Reported the same back with the following amendments:

Page 2, line 4, after the period insert "Not more than five of the governor's appointees may reside in the same congressional district."

Page 3, line 19, after "board" insert "shall make a preliminary report to the legislature and governor on its studies and findings not later than February 1, 1989. The board"

Page 3, line 19, after "shall" insert "make a final"

Page 3, line 19, after "report" insert "on"

Page 3, delete line 21 and insert "June 15, 1991. The commission shall cease to function June 1, 1991."

Page 3, line 23, delete "\$" and insert "\$300,000"

Page 3, line 23, delete "general" and insert "highway user tax distribution"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1951, A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Reported the same back with the following amendments:

Page 1, line 19, before the period insert "but the application for renewal of the registration of the automobile must be sent to the lessor"

Page 6, after line 6, insert:

"Sec. 9. [APPROPRIATION.]

\$92,820 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the purpose of implementing the program for the mandatory surrender of registration plates and certificates by repeat DWI offenders. The funds are available to June 30, 1989. \$103,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety."

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 4, after "fee;" insert "appropriating money for the program of mandatory surrender of plates and certificates by repeat DWI offenders;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 1981, 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:

Page 3, after line 4, insert:

"Subd. 4. Dennis Farrell, 365 Case Street, St. Paul, Minnesota 55101, for permanent partial disability to his head and scarring of his eyebrow due to injuries he received while performing assigned duties at the Minnesota correctional facility - Lino Lakes \$4,000."

Page 3, line 7, after "back" insert "medical expenses, lost wages, and retraining costs"

Page 3, line 9, delete "\$10,500" and insert "\$18,587.80"

Renumber the subdivisions in sequence

Page 5, after line 19, insert:

"Sec. 5. [EGG PRODUCERS CLAIMS.]

Subdivision 1. The amounts in this section are appropriated from the general fund to the egg producers named in this section in full and final payment of claims against the state. This appropriation remains available until June 30, 1988.

Subd. 2. Carolyn Kay Oswald, Route #1, Box 115, Swanville, Minnesota 56382, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Oswald \$5,423.48.

Subd. 3. John E. Hamilton, 2039 Hawk Street, Becker, Minnesota 55508, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Hamilton \$3,078.83.

Subd. 4. Harvey Kimman, Route #2, Box 157, Freeport, Minnesota 56331, for loss of income resulting from the bankruptcy of a wholesale produce dealer who bought eggs from Kimman \$13,019.78.

Subd. 5. Roger J. Welters, Route #2, Box 37, Swanville, Minnesota 56382, for loss of income resulting from the bankruptcy of a

wholesale produce dealer who bought eggs from Welters ...
..\$3,250.80.

Subd. 6. Wilfred Moscho, Box 268, St. Martin, Minnesota 56376,
for loss of income resulting from the bankruptcy of a wholesale
produce dealer who bought eggs from Moscho \$3,338.46.

Subd. 7. Duane and Sharon Ballou, Route #1, Randall, Minnesota
56475, for loss of income resulting from the bankruptcy of a
wholesale produce dealer who bought eggs from the Ballous ...
..\$3,304.80.

Subd. 8. Benedict Hoppe, 226 West Main Street, Melrose, Minne-
sota 56352, for loss of income resulting from the bankruptcy of a
wholesale produce dealer who bought eggs from Hoppe
\$2,862.03."

Page 5, delete lines 25 to 29 and insert:

"Subd. 2. (a) Dwight DeGroot, Rural Route 1, Box 108, Magnolia,
Minnesota 56158, for wages lost due to an injury to his left wrist
received while he was performing assigned duties as a resident of
the Willmar regional treatment center \$750.

(b) Luverne Medical Center, 300 East Brown, Luverne, Minnesota
56156, for medical services furnished to Dwight DeGroot for the
injury described in paragraph (a) \$289.25."

Page 5, after line 33, insert:

"Subd. 4. Mahnomon County Hearings Unit, c/o Dorsey and
Whitney, 2200 First Bank Place East, Minneapolis, Minnesota
55402, for legal fees incurred in the state's appeal of the hearings
unit's decision \$28,987.

Subd. 5. Rainy Lake International, c/o James McCarthy, chair-
man, 1505 Concord Street, South St. Paul, Minnesota 55075, for loss
of equity in a fish processing plant due to the elimination of
commercial fishing on Rainy Lake \$47,926."

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2031, A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.61, subdivision 5; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.914; 115A.919; 115B.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 116.55; and 116M.07, subdivision 14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space is provided for recyclable materials.

Sec. 2. Minnesota Statutes 1986, section 16B.61, is amended by adding a subdivision to read:

Subd. 3a. [RECYCLING SPACE.] The code must require suitable space for the separation, collection, and temporary storage of recyclable materials within or adjacent to new or significantly remodeled structures that contain 1,000 square feet or more. Residential structures with 12 or less dwelling units are exempt from this subdivision.

Sec. 3. Minnesota Statutes 1986, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. "Recyclable materials" means materials that are separated from mixed municipal solid waste, ~~by the generator or during collection,~~ for the purpose of recycling, including paper, glass, metals, automobile oil, and batteries.

Sec. 4. Minnesota Statutes 1986, section 115A.03, subdivision 25b, is amended to read:

Subd. 25b. "Recycling" means the process of collecting and preparing recyclable materials and reusing the materials in their original form or using them in manufacturing processes which do not cause the destruction of recyclable materials in a manner which precludes further use.

Sec. 5. Minnesota Statutes 1986, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The commission shall review the biennial report of the board, the agency municipal project list and municipal needs list reports, and the budget for the agency division of water quality. The commission shall oversee the activities of the board under sections 115A.01 to 115A.72 and the activities of the agency under sections 115A.42 to 115A.46, 115A.49 to 115A.54, and 116.16 to 116.18 oversee the activities of the board under this chapter relating to solid and hazardous waste management, the activities of the agency under sections 116.16 to 116.181 relating to water pollution control, and the activities of the metropolitan council relating to metropolitan waste management under sections 473.801 to 473.848, and direct such changes or additions in the work plan of the board and agency as it deems fit.

The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:

(1) the environmental response, compensation, and compliance fund under section 115B.20, subdivision 5;

(2) the metropolitan landfill abatement fund under section 473.844; and

(3) the metropolitan landfill contingency action fund under section 473.845.

The commission may conduct public hearings and otherwise secure data and expressions of opinion. The commission shall make such recommendations as it deems proper to assist the legislature in formulating legislation. Any data or information compiled by the commission shall be made available to any standing or interim committee of the legislature upon request of the chair of the respective committee.

Sec. 6. Minnesota Statutes 1987 Supplement, section 115A.156, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The board may make grants to eligible recipients to determine the feasibility and method of developing and operating specific types of commercial facilities and services for collecting and processing, or containment of hazardous waste and for improving management of waste rendered nonhazardous and industrial waste. Grants may be made for:

(1) market assessment, including generator surveys;

(2) conceptual design and preliminary engineering;

(3) financial and business planning necessary to address sources of

funding, financial security, liability, pricing structure, and similar matters necessary to the development and proper operation of a facility or service;

(4) environmental impact and site analysis, preparation of permit applications, and environmental and permit reviews;

(5) analysis of methods of overcoming identified technical, institutional, legal, regulatory, market, or other constraints; and

(6) analysis of other factors affecting development, operation, and use of a facility or service.

Sec. 7. Minnesota Statutes 1987 Supplement, section 115A.156, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] A person proposing to develop and operate specific collection ~~and~~, processing, or containment facilities or services to serve generators in the state and persons seeking to develop or operate specific types of facilities or services to manage industrial waste generated in the state, are eligible for a grant. The board may give preference to applications by associations of two or more generators in the state proposing to develop and operate commercial facilities or services ~~capable of collecting or for collection~~, processing, or containment of their hazardous wastes.

Sec. 8. Minnesota Statutes 1986, section 115A.156, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] The board may establish procedures for awarding grants under this section. The procedures for awarding grants shall include consideration of the following factors:

(1) the need to provide collection ~~and~~, processing, or containment for a variety of types of hazardous wastes;

(2) the extent to which the facility or service would provide a significant amount of processing ~~or~~, collection, or containment capacity for waste generated in the state, measured by the volume of waste to be managed, the number and geographic distribution of generators to be served, or the reduction of risk to public health and safety and the environment achieved by the operation of the facility or service;

(3) the availability of the facility or service to all generators needing the service in the area to be served;

(4) the contribution of the facility or service to achieving the policies and objectives of the hazardous waste management plan;

(5) participation by persons with demonstrated experience in developing, designing, or operating hazardous waste collection or, processing, or containment facilities or services;

(6) the need for assistance from the board to accomplish the work;

(7) the extent to which a proposal would produce and analyze new information; and

(8) other factors established by the board consistent with the purposes of this section.

The board may adopt emergency rules under sections 14.29 to 14.36 to implement the grant program. Emergency rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 9. Minnesota Statutes 1987 Supplement, section 115A.162, is amended to read:

115A.162 [INDUSTRIAL OR HAZARDOUS WASTE PROCESSING FACILITY LOANS.]

The board shall review applications for industrial or hazardous waste processing facility loans received by the agriculture and economic development authority and forwarded to the board under section ~~116M.07, subdivision 9~~ 41A.066. The board may certify a loan application only if it determines that:

(1) the applicant has demonstrated that the proposed facility is technically feasible;

(2) the applicant has made a reasonable assessment of the market for the services offered by the proposed facility;

(3) the applicant has agreed to provide funds for the proposed facility in an amount equal to at least 25 percent of the capital cost of the facility excluding land acquisition cost;

(4) the applicant has agreed to pay the cost of any land acquisition necessary to develop the facility; and

(5) the facility will contribute in a significant way to achievement of the policies and objectives of the hazardous waste management plan and, in particular, to reduce the need for and practice of industrial or hazardous waste disposal.

As a condition of its certification the board may require an applicant to agree to provide funds in excess of 25 percent of the capital cost of the facility in addition to any land acquisition costs. In

certifying an application or in determining the share of the capital costs that will be provided by the loan, the board may consider the types and volumes of industrial or hazardous waste that will be handled by the facility, the number of generators served by the facility, and the extent to which the facility serves the need of smaller businesses that generate industrial or hazardous waste. The board may establish additional criteria for certifying loan applications consistent with the provisions of this section.

The board may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program. Emergency rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 10. Minnesota Statutes 1986, section 115A.165, is amended to read:

115A.165 [EVALUATION OF GRANT AND LOAN PROGRAMS; REPORT.]

By November 1, 1986, and every second year after that date, the board shall evaluate the extent to which the programs provided in sections 115A.152 to 115A.162 have contributed to the achievement of the policies and objectives of the hazardous waste management plan and other related planning documents prepared by the board. The evaluation must consider the amount of waste reduction achieved by generators through the technical and research assistance and waste reduction grant programs and the progress in reducing the need for and practice of disposal achieved through the development grants and the request for proposal program. The board shall report the results of its evaluation to the legislative commission with its recommendations for further action.

Sec. 11. Minnesota Statutes 1987 Supplement, section 115A.48, is amended to read:

115A.48 [MARKET DEVELOPMENT FOR RECYCLABLE MATERIALS AND COMPOST.]

Subdivision 1. [AUTHORITY.] The board shall assist and encourage the development of specific facilities and services, and uses needed to provide adequate, stable, and reliable markets for recyclable materials and compost generated in the state. In carrying out this duty the board shall coordinate and cooperate with the solid waste management efforts of other public agencies and political subdivisions.

Subd. 2. [FACILITY DEVELOPMENT PROPOSALS.] In order to determine the feasibility and method of developing and operating specific types of facilities and services to use recyclable materials

and compost generated in the state, the board shall request proposals from and may make grants to persons seeking to develop or operate the facilities or services. Grants may be made for the purposes in section 115A.156, subdivision 1, clauses (1) to (6). A grant must be matched by money or in-kind services provided by the grantee covering at least 50 percent of the project cost. In requesting proposals under this section the board shall follow the procedures provided in section 115A.158, subdivisions 1 and 2, as far as practicable.

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials and compost through procurement policies and practices.

Sec. 12. [115A.541] [PLAN; GRANT REQUIREMENT.]

The board shall only approve a plan under section 115A.46 or make a grant for a recycling facility under section 115A.54, subdivision 2a, if it finds that the applicant demonstrates a commitment to recycle materials separated by generators to the extent such a program is cost effective in meeting recycling goals.

Sec. 13. [115A.55] [SPECIAL WASTE; INCINERATOR ASH.]

Subdivision 1. [POLICY; GOALS.] It is the policy of the legislature that mixed municipal solid waste incinerators be planned and managed to achieve to the maximum extent feasible and prudent:

- (1) reduction of the toxicity of incinerator ash;
- (2) reduction of the quantity of the incinerator ash; and
- (3) reduction of the quantity of waste processing residuals that require disposal.

The purpose of this section is to establish temporary and permanent programs to achieve these reduction goals.

Subd. 2. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given them.

"Incinerator ash" means ash resulting from the combustion of mixed municipal solid waste and ash resulting from the combustion of refuse derived fuel.

"Noncombustible fraction" means constituents of mixed municipal solid waste, including glass, ferrous metals, nonferrous metals

and other inorganics, that, when burned, disproportionately add to the quantity of incinerator ash.

Subd. 3. [RULES.] The agency shall adopt rules to establish techniques to measure the noncombustible fraction of mixed municipal solid waste prior to incineration or processing into refuse derived fuel and for at least the testing, management, and disposal of incinerator ash. The rules must be designed to meet the goals in subdivision I.

Subd. 4. [INTERIM PROGRAM.] (a) Incinerator ash is considered special waste for an interim period which expires on the occurrence of the earliest of the following events:

(1) The United States Environmental Protection Agency establishes testing and disposal requirements for incinerator ash;

(2) The agency adopts the rules required in subdivision 3; or

(3) June 30, 1990.

(b) As a special waste incinerator ash must be stored separately from mixed municipal solid waste with adequate controls to protect the environment as provided in agency permits. For the interim period, the agency, in cooperation with generators of incinerator ash and other interested parties, shall establish a temporary program to test, monitor, and store incinerator ash. Incinerator ash stored during the interim is subject to the rules adopted pursuant to subdivision 3 and to the provisions of chapter 115B.

Subd. 5. [PLANS; BOARD REPORT.] A county solid waste plan, or revision of a plan, that includes incineration of mixed municipal solid waste must clearly state how the county plans to meet the goals in subdivision I of reducing the toxicity and quantity of incinerator ash and of reducing the quantity of processing residuals that require disposal. The board, in cooperation with the agency, the counties, and the metropolitan council, may develop guidelines for counties to use to identify ways to meet the goals in subdivision 1.

The board, in cooperation with the agency, the counties, and the metropolitan council, shall develop and propose statewide goals and timetables for the reduction of the noncombustible fraction of mixed municipal solid waste prior to incineration or processing into refuse derived fuel and for the reduction of the toxicity of the incinerator ash. By January 1, 1990, the board shall report to the legislative commission on waste management on the proposal goals and timetables with recommendations for their implementation.

Subd. 6. [PERMITS; AGENCY REPORT.] An application for a permit to build or operate a mixed municipal solid waste incinera-

tor, including an application for permit renewal, must clearly state how the applicant will achieve the goals in subdivision 1 of reducing the toxicity and quantity of incinerator ash and of reducing the quantity of processing residuals that require disposal. The agency, in cooperation with the board, the counties, and the metropolitan council, may develop guidelines for applicants to use to identify ways to meet the goals in subdivision 1.

If, by January 1, 1990, the rules required by subdivision 3 are not in at least final draft form, the agency shall report to the legislative commission on waste management on the status of current incinerator ash management programs with recommendations for specific legislation to meet the goals of subdivision 1.

Sec. 14. Minnesota Statutes 1986, section 115A.912, is amended to read:

115A.912 [WASTE TIRE COLLECTION MANAGEMENT.]

Subdivision 1. [PURPOSE.] Money appropriated to the agency board for waste tire collection management may be spent for elimination of health and safety hazards of tire dumps and collection sites, tire dump abatement, collection, management and clean up of waste tires, regulation of permitted waste tire facilities, research and studies to determine the technical and economic feasibility of uses for tire derived products, public education on waste tire management, and grants and loans under section 15.

Subd. 2. [PRIORITIES FOR SPENDING.] The agency board shall apply the following criteria to establish priorities: (1) tire dumps or collection sites determined by the agency board to contain more than 1,000,000 tires; (2) abatement of fire hazard nuisances; (3) abatement of nuisance in densely populated areas; and (4) collection and clean up of waste tires including abatement of tire dumps.

Subd. 3. [CONTRACTS WITH COUNTIES.] The agency board may contract with counties for the abatement of waste tire nuisances and may reimburse a county for up to 85 percent of the cost of abatement. A contract with a county for abatement of waste tire nuisances must incorporate a plan approved by the board that provides for the removal and processing of the waste tires in a manner consistent with board standards and ongoing board abatement activities. A county may bring a civil action to recover its part of abatement costs from the tire collector responsible for a nuisance.

Sec. 15. [115A.913] [WASTE TIRE PROGRAMS.]

Subdivision 1. [LOANS AND GRANTS.] The board may make loans to waste tire processing businesses for the capital costs of land, buildings, equipment, and other capital improvements needed for

the construction or betterment of waste tire processing facilities, and for the capital cost of equipment needed to transport waste tires to a waste tire processing facility. The board may also make loans to businesses that use waste tire derived products in manufacturing processes, for the capital costs of land, buildings, and equipment used in the manufacturing process.

The board may make grants for studies necessary to demonstrate the technical and economic feasibility of a proposed waste tire processing project, or of a proposed use for waste tire derived products in a manufacturing process. A grant may not exceed \$30,000 and may not exceed 75 percent of the costs of a study.

Subd. 2. [COLLECTION AND TRANSPORTATION.] The board may make grants to local government units for the cost of establishing waste tire collection sites. Grants may be used for the capital costs of land, structures, and equipment needed to establish waste tire collection sites, and to collect and transport waste tires. A grant may not exceed 50 percent of the cost to a local government unit to establish a waste tire collection site.

Subd. 3. [FEASIBILITY STUDIES.] The board may conduct research and studies to determine the technical and economic feasibility of uses for waste tire derived products.

Subd. 4. [PUBLIC EDUCATION.] The board may conduct a program to inform the public about proper handling and opportunities for processing of waste tires consistent with section 115A.072.

Subd. 5. [REPORT.] By November 15 of each year, the board shall prepare and submit to the legislative commission on waste management a progress report of the board's operations and activities under sections 115A.90 to 115A.914.

Sec. 16. Minnesota Statutes 1986, section 115A.914, is amended to read:

115A.914 [RULES ADMINISTRATION; COUNTY PLANNING; AND ORDINANCES.]

Subdivision 1. [REGULATORY AND ENFORCEMENT POWERS.] For purposes of implementing and enforcing the waste tire abatement and permitting programs in sections 115A.90 to 115A.914, the board may exercise the regulatory and enforcement powers of the agency under chapters 115 and 116.

Subd. 2. [AGENCY BOARD RULES.] The agency board shall adopt rules for administration of waste tire collector and processor permits, waste tire nuisance abatement, and waste tire collection.

Until December 31, 1985, the agency may adopt emergency rules for these purposes:

Subd. 2- 3. [COUNTY PLANNING; ORDINANCES.] Counties shall include collection and processing of waste tires in the solid waste management plan prepared under sections 115A.42 to 115A.46 and shall adopt ordinances under sections 400.16 and 473.811 for management of waste tires that embody, but may be more restrictive than, agency board rules.

Sec. 17. Minnesota Statutes 1987 Supplement, section 115A.916, is amended to read:

115A.916 [USED OIL; LAND DISPOSAL PROHIBITED.]

A person may not place used oil in mixed municipal solid waste or dispose of place used oil in a solid waste disposal facility after January 1, 1988 or on the land, unless approved by the agency. This section may be enforced by the agency pursuant to section 115.071.

Sec. 18. [115A.9162] [USED OIL LOANS AND GRANTS.]

The board may make loans to businesses for the purchase of used oil processing equipment.

The board may make grants to counties for installation of storage tanks to collect used oil. To be eligible for a grant, a county must obtain approval from the commissioner of the agency for the type of tank to be used, the location and installation of the tank, and the proposed ongoing maintenance and monitoring of the collection site. A tank may be located on public or private property and must be made available to the public for used oil disposal. A grant for a single tank may not exceed \$2,500 and a county may not receive more than \$5,000 in grants for storage tanks.

Sec. 19. Minnesota Statutes 1986, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

A county may impose a fee, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the county. The fee in the metropolitan area may not exceed 25 cents per cubic yard or its equivalent. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

Sec. 20. Minnesota Statutes 1987 Supplement, section 115A.95, is amended to read:

115A.95 [RECYCLABLE MATERIALS.]

Subdivision 1. [EXCLUSION.] Refuse derived fuel or other material that is destroyed by incineration in a resource recovery facility is not a recyclable material.

Subd. 2. [RESOURCE RECOVERY.] A resource recovery facility that is composting waste, burning waste, or converting waste to energy or to materials for combustion, and is owned or operated by a public agency or supported by public funds or by obligations issued by a public agency, may not accept recyclable materials except for transfer to a recycler, unless no other person is willing to accept the recyclable materials.

Sec. 21. Minnesota Statutes 1986, section 115B.17, is amended by adding a subdivision to read:

Subd. 14. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner of the agency may upon request assist a person in determining whether any real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Agency assistance may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance fund.

Sec. 22. Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The members of the board are the director of the state planning agency, the director of public service, the director of the pollution control agency, the commissioner of natural resources, the chair of the waste management board, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state.

Sec. 23. [325E.044] [PLASTIC CONTAINER LABELING.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Distributor" means a person engaged in business that ships or transports products to retailers in this state to be sold by those retailers.

(b) "Labeling" means attaching information to or embossing or printing information on a plastic container.

(c) "Manufacturer" means any manufacturer offering for sale and distribution a product packaged in a container.

(d) "Plastic container" means an individual, separate, plastic bottle, can, or jar with a capacity of sixteen ounces or more.

Subd. 2. [LABELING RULES REQUIRED.] By March 31, 1989, the board shall adopt rules requiring labeling of plastic containers. The rules adopted under this subdivision must allow a manufacturer of plastic containers, a person who places products in plastic containers, and a person who sells products in plastic containers to choose an appropriate method of labeling plastic containers. The board shall adopt rules as consistent as practicable with national industry-wide plastic container coding systems. The rules may exempt plastic containers of a capacity of less than a specified minimum size from the labeling requirements.

Subd. 3. [PROHIBITION.] A person may not manufacture or bring into the state for sale in this state a plastic container that does not comply with the labeling rules adopted under subdivision 2.

Subd. 4. [ENFORCEMENT; CIVIL PENALTY; INJUNCTIVE RELIEF.] (a) Any manufacturer or distributor who violates subdivision 3 is subject to a civil penalty of \$50 for each violation up to a maximum of \$500.

(b) Any manufacturer or distributor who engages in continued violations of subdivision 3 may be enjoined from such violations.

(c) The attorney general may bring an action in the name of the state in a court of competent jurisdiction for recovery of civil penalties or for injunctive relief as provided in this subdivision. The attorney general may accept an assurance of discontinuance of acts in violation of subdivision 3 in the manner provided in section 8.31, subdivision 2b.

Sec. 24. [325E.116] [WASTE TIRES; COLLECTION.]

A person who sells automotive tires at retail must accept waste tires from customers for collection and recycling. The person must accept as many waste tires from each customer as tires are bought by that customer.

Sec. 25. Minnesota Statutes 1986, section 473.803, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] By July 1, 1984 each county shall establish a solid waste management advisory committee to aid in the preparation of the county master plan and, any revisions thereof and such additional matters as the county deems appropriate. The committee must consist of one-third citizen representatives, one-third representatives from towns and cities within the county, and one-third representatives from private waste management firms. At least one-third of the members of The committee must be include residents of towns or cities within the county containing solid waste disposal facilities and eligible solid waste disposal sites included in the council's disposal site inventory. Members of the council's solid waste advisory committee who reside in the county are ex-officio members of the county advisory committee. A representative of the metropolitan council is an ex officio member of the committee.

Sec. 26. Minnesota Statutes 1986, section 609.68, is amended to read:

609.68 [UNLAWFUL DEPOSIT OF GARBAGE, LITTER OR LIKE.]

Whoever unlawfully deposits garbage, rubbish, offal, or the body of a dead animal, or other litter in or upon any public highway, public waters or the ice thereon, shoreland areas adjacent to rivers or streams as defined by section 105.485, subdivision 2, public lands, or, without the consent of the owner, private lands or water or ice thereon, is guilty of a misdemeanor.

Sec. 27. Laws 1987, chapter 348, section 51, subdivision 1, is amended to read:

Sec. 51. [APPROPRIATIONS; COMPLIMENT.]

Subdivision 1. [APPROPRIATIONS.] The following amounts are appropriated from the solid and hazardous waste account to the agencies and for the purposes and fiscal years specified:

	1988	1989
(a) To the waste management board:		
(1) For nonhazardous and industrial waste grants and technical assistance under section 3	\$ 25,000	\$ 25,000
(2) For public education under section 4	95,000	95,000
(3) For the solid waste management policy report under section 14	30,000	30,000
(4) For market development for recyclables under section 17	100,000	100,000
(5) For waste reduction and separation projects and technical assistance under section 21	150,000	150,000
(b) To the pollution control agency:		
(1) For the solid waste management policy report under section 14	30,000	30,000
(2) For household hazardous waste management under section 29	215,800	300,200
(3) For pilot waste pesticide collection under section 48	145,800	70,000
(c) To the department of public service for the notice and inspection program under section 36	3,600	3,600

Amounts unexpended in one fiscal year are available for expenditure in the other fiscal year.

Sec. 28. Laws 1987, chapter 404, section 24, subdivision 4, is amended to read:

Subd. 4. Solid Waste and Hazardous
Waste Pollution Control

\$13,074,500

\$13,350,700

Summary by Fund

General	\$1,828,200	\$1,723,000
Special Revenue	\$ 988,300	\$ 951,700
Public Health	\$ 131,900	\$ 131,900
Environmental	\$2,233,400	\$2,233,400
Metro Landfill Abatement	\$1,134,000	\$1,134,000
Metro Landfill Contingency	\$ 662,000	\$ 162,000
Motor Vehicle Transfer	\$1,473,200	\$1,008,200
Water Pollution Control	\$4,623,500	\$6,006,500
	1988	1989

(a) All money in the environmental response, compensation and compliance fund not otherwise appropriated, is appropriated to the pollution control agency for the purposes described in the environmental response and liability act, Minnesota Statutes, section 115B.20, subdivision 2, clauses (a), (b), (c), and (d). This appropriation is available until June 30, 1989.

(b) All money in the metropolitan landfill abatement fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council may not spend the money until the legislative commission on waste management has made its recommendations on the budget and work program submitted by the council.

(c) Any unencumbered balance from the metropolitan landfill contingency fund remaining in fiscal year 1988 does not cancel but is available for fiscal year 1989.

1988

1989

(d) A solid and hazardous waste account is created as a separate fund in the state treasury. The commissioner of finance shall transfer \$919,000 from the motor vehicle transfer fund and \$680,000 from the water pollution control fund over the biennium to the solid and hazardous waste fund.

(e) \$100,000 is appropriated for the household hazardous waste program created in the law styled as H. F. No. 794 of the 1987 legislative session. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

(f) \$1,973,200 the first year and \$2,008,200 the second year are from the motor vehicle transfer fund for use in cleanup of waste tire dumps, as prioritized by the agency for waste tire management under section 14. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$4,500,000 the first year and \$5,900,000 the second year are appropriated from the water pollution control fund for transfer to the environmental response, compensation, and compliance fund. The appropriations in this paragraph are available until expended.

Sec. 29. Laws 1987, chapter 404, section 24, subdivision 6, is amended to read:

Subd. 6. Balances Canceled

\$6,235,800 the first year and \$6,117,200 the second year of the balance in the water pollution control fund must be canceled and transferred to the general fund on July 1, 1987, and July 1, 1988, respectively.

	1988	1989
\$2,425,200 the first year and \$2,925,200 \$2,680,200 the second year of the balance in the motor vehicle transfer fund must be canceled and transferred to the general fund on July 1, 1987, and July 1, 1988, respectively.		

Sec. 30. Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended by Laws 1983, chapter 299, section 31, and chapter 301, section 222, is amended to read:

Subd. 3. WASTE MANAGEMENT BOARD.	15,718,000
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This appropriation is available for the following purposes:

(a) General Operations and Management. Approved Complement - 14. These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been expended the positions shall be canceled and the approved complement reduced accordingly. The annual salary of the full-time chairperson of the board shall be \$45,000 established pursuant to section 15A.081, subdivision 1.

(b) Acquisition of Sites and Buffer Areas for Hazardous Waste

Facilities	6,200,000
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This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3, subdivision 4. ~~Up to \$3,200,000 is available for, including payment of the costs of staff and independent professional services needed for the selection and acquisition of sites.~~

(c) Waste Processing Facility Demonstration Program	8,800,000
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1988

1989

This appropriation is from the state waste management fund, to be spent pursuant to article VI, sections 4 and 6. Up to 5 percent is available for administration and technical and professional services.

Sec. 31. [APPROPRIATION; COMPLEMENT; WASTE MANAGEMENT BOARD.]

\$821,300 is appropriated from the motor vehicle transfer fund to the waste management board for the following purposes:

Waste tire management programs under section 14.

Waste oil loans and grants and market feasibility studies under section 18.

These appropriations are available until expended.

The complement of the board is increased by six positions.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14, are repealed.

Sec. 33. [INSTRUCTIONS TO REVISOR.]

The revisor of statutes is directed to change the words "agency" and "pollution control agency" wherever they appear in sections 115A.90 to 115A.914 to "board" and "waste management board" in Minnesota Statutes 1988 and subsequent editions of the statutes.

Sec. 34. [EFFECTIVE DATE.]

Sections 14, 15, 21, 28, 29, and 31 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of

recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.24, subdivision 6; 16B.61, by adding a subdivision; 115A.03, subdivisions 25a and 25b; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.914; 115A.919; 115B.17, by adding a subdivision; 473.803, subdivision 4; and 609.68; Minnesota Statutes 1987 Supplement, sections 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Wynia from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2182, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; permitting state-run lotteries; providing for the distribution of their proceeds; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, sections 86.06; 86.61; 86.72, subdivisions 2 and 3; and 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C.

Reported the same back with the following amendments:

Page 2, line 16, after “natural” insert “and recreational”

Page 2, line 19, after the period insert:

"The distribution of net proceeds from the lottery may be changed at any time by a vote of two-thirds of both houses of the legislature."

Page 2, line 25, after "allocated" insert "to the general fund"

Page 2, line 31, after "state" insert "with the limitation that the distribution of the net proceeds from the lottery may be changed at any time by a vote of two-thirds of both houses of the legislature"

Page 3, line 31, strike "energy" and insert "trade"

Page 4, lines 28 and 34, after "natural" insert "and recreational"

Page 5, line 1, after "natural" insert "and recreational"

Page 5, line 10, delete "XI, section 14" and insert "XIII, section 5"

Page 5, line 23, delete "20" and insert "19"

Page 7, line 17, delete "and"

Page 7, line 18, before the period insert "; and

(6) tourism"

Page 8, lines 4, 6, 11, 15, and 17, after "natural" insert "and recreational"

Page 18, line 22, delete "2" and insert "1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2291, A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapter 365, section 24; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 shall be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) ~~board for community colleges;~~
- (5) board of examiners for nursing home administrators;
- (6) (5) board on aging;
- (7) (6) chiropractic examiners board;
- (8) (7) consumer advisory council on vocational rehabilitation;
- (9) (8) council for the handicapped;
- (10) (9) council on affairs of Spanish-speaking people;
- (11) (10) council on black Minnesotans;
- (12) (11) dentistry board;
- (13) (12) department of jobs and training advisory council;
- (14) (13) higher education coordinating board;
- (15) (14) housing finance agency;
- (16) (15) Indian advisory council on chemical dependency;
- (17) (16) medical examiners board;
- (18) (17) medical policy directional task force on mental health;

~~(19)~~ (18) Minnesota employment and economic development task force;

~~(20)~~ (19) Minnesota office of volunteer services advisory committee;

~~(21)~~ (20) Minnesota state arts board;

~~(22)~~ (21) mortuary sciences advisory council;

~~(23)~~ (22) nursing board;

~~(24)~~ (23) optometry board;

~~(25)~~ (24) pharmacy board;

~~(26)~~ (25) physical therapists council;

~~(27)~~ (26) podiatry board;

~~(28)~~ (27) psychology board;

~~(29)~~ (28) veterans advisory committee.

Sec. 2. Minnesota Statutes 1986, section 15.50, is amended by adding a subdivision to read:

Subd. 6a. [RIGHT OF FIRST REFUSAL.] The commissioner of administration has the right of first refusal on lands offered for public or private sale within the capitol area. Before completing a sale of land within the capitol area to a buyer other than the state, the owner of the land shall notify the commissioner of administration of the owner's intent to sell the land and shall inform the commissioner of the appraised value of the land if an appraisal has been performed and the amount of any bona fide written offers made to purchase the land. The commissioner may purchase the land by using an appraisal as the basis for the purchase price, by matching the highest written bona fide offer, or by negotiating a direct purchase with the owner. If a negotiated purchase price exceeds \$250,000, the commissioner shall first consult with the chairs of the senate finance committee and house of representatives appropriations committee in the manner provided in section 15.16, subdivision 5. The commissioner may not spend or obligate the state for an amount exceeding the amount appropriated to the commissioner for capitol area property acquisition. Sections 117.232, 117.52, and 117.521 do not govern purchases under this subdivision.

Sec. 3. Minnesota Statutes 1986, section 16A.41, subdivision 1, is amended to read:

Subdivision 1. [CERTIFIED.] Except as provided in subdivision 1a, when claims against the state are made for which there is an appropriation available, an official with authority to pay a claim shall approve the claim by certifying that the service was performed ~~or~~, the goods or material furnished, or monthly telephone service is in effect. The claim must be sent to the commissioner accompanied by a transmittal form as prescribed by the commissioner.

Sec. 4. [16B.052] [AUTHORITY TO TRANSFER FUNDS.]

The commissioner may, with the approval of the commissioner of finance, transfer from an internal service or enterprise fund account to another internal service or enterprise fund account, any contributed capital appropriated by the legislature. The transfer may be made only to provide working capital or positive cash flow in the account to which the money is transferred.

Sec. 5. Minnesota Statutes 1986, section 16B.07, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT CONTRACTS.] Standard requirement price contracts for supplies or services to be purchased by the state must be established by competitive bids as provided in subdivision 1. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs or for the addition of similar products or replacement items not significant to the total value of existing contracts. The term of these contracts may not exceed two years with an option on the part of the state to renew for an additional two five years including all extensions.

Sec. 6. Minnesota Statutes 1986, section 16B.07, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF NOTICE; EXPENDITURES OVER \$15,000 AND REQUESTS FOR PROPOSAL.] If the amount of an expenditure or sale is estimated to exceed \$15,000, sealed bids or requests for proposal as provided in section 16B.08, subdivision 4, clause (b), must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for that publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to the commissioner, and by posting notice on a public bulletin board in the commissioner's office at least five days before the final date of submitting bids. All bids must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract

must be retained and made a part of a permanent file or record and remain open to public inspection.

Sec. 7. Minnesota Statutes 1986, section 16B.08, subdivision 4, is amended to read:

Subd. 4. [NEGOTIATED CONTRACTS.] (a) In lieu of any of the other requirements of this chapter, the commissioner may negotiate a contract for public work to be performed at a state-owned institution or installation if the cost does not exceed \$15,000 and if the head of the affected state agency requests the commissioner to do so. The commissioner shall have prepared whatever plans and specifications for the public work deemed necessary by the commissioner to protect the public interest. Contractor's bonds or security pursuant to chapter 574 are not required for contracts entered into pursuant to this subdivision.

(b) In lieu of the requirement for competitive bidding in section 16B.07, subdivision 1, purchases and contracts may be negotiated in those circumstances determined by the commissioner, and in any of those circumstances the commissioner shall advertise for a request for proposal as a basis for negotiation.

Sec. 8. Minnesota Statutes 1987 Supplement, section 16B.09, subdivision 1, is amended to read:

Subdivision 1. [LOWEST RESPONSIBLE BIDDER.] All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other conditions considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

Sec. 9. Minnesota Statutes 1986, section 16B.09, subdivision 3, is amended to read:

Subd. 3. [SPECIAL CIRCUMSTANCES.] The commissioner may reject the bid of any bidder who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may use negotiated procurement methods with the tied low bidders for that particular transaction, so

long as the price paid does not exceed the low tied bid price. The commissioner may award contracts to more than one bidder in accordance with section 16B.09, subdivision 1, if doing so does not decrease the service level or diminish the effect of competition.

Sec. 10. Minnesota Statutes 1986, section 16B.24, is amended by adding a subdivision to read:

Subd. 9. [SMOKING IN STATE BUILDING.] To protect the public health, comfort, and environment and to protect the nonsmoker's right to a smoke-free environment, smoking in all buildings managed or leased by the commissioner under subdivisions 1 and 6 shall be prohibited except in designated smoking areas that prevent passive smoking exposure. Smoking areas may be designated by managers and supervisors except in places in which smoking is prohibited by the fire marshal or by other law or ordinance.

Where smoking areas are designated, existing physical barriers and ventilation systems shall be used to eliminate the presence of smoke in physically related nonsmoking areas. Any lessor, lessee, manager, or supervisor in a building with a designated smoking area shall in response to any complaint of smoke-induced discomfort by an employee take those steps required by section 144.416 for a public place. If due to the proximity of smokers, size of the place of work, poor ventilation, or other factors, these steps do not reduce the effects of smoke in an employee's place of work to the reasonable satisfaction of the affected employee, the lessor, lessee, manager, or supervisor shall implement other measures reasonably designed to minimize or eliminate the effects of smoke on the affected employee. These measures may include reassigning the employee to different places of work or further restricting or eliminating smoking in the place of work.

No employee complaining of a smoke-induced discomfort to a lessor, lessee, manager, or supervisor shall be identified or subjected to any disciplinary action as a result of making the complaint.

Sec. 11. Minnesota Statutes 1986, section 16B.24, is amended by adding a subdivision to read:

Subd. 10. [CHILD CARE SERVICES SPACE.] State office space of 50,000 square feet or more that is leased, purchased, constructed, or substantially remodeled after August 1, 1988, must include space usable for child care services. The commissioner may waive the requirements of this subdivision for any office space if the commissioner determines it would be unreasonably costly to provide the space otherwise required.

Sec. 12. Minnesota Statutes 1986, section 16B.28, is amended to read:

16B.28 [SURPLUS FEDERAL PROPERTY MATERIALS DISTRIBUTION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meanings given them:

(a) "Surplus property" means commodities, equipment, materials, supplies, books, printed matter, and other property made available by the federal government a governmental unit or nonprofit organization to a another governmental unit or nonprofit organization.

(b) "Governmental unit or nonprofit organization" means ~~the state of Minnesota, its departments, agencies, political subdivisions, and other instrumentalities~~ a governmental unit as defined in section 471.59, subdivision 1, an Indian tribal government, and any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, or other institution organized and existing for any purpose authorized by federal law to accept surplus federal property.

Subd. 2. [AUTHORIZATION.] (a) The commissioner is the state agency designated to purchase ~~or~~ accept or dispose of federal surplus property for the state and for the benefit of any other governmental unit or nonprofit organization for any purpose authorized by state and federal law and in accordance with federal rules and regulations. Any governmental unit or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may store acquire, accept, warehouse, and distribute surplus property until it is needed and any expenses incurred in connection with the storage any of these acts shall be paid from the surplus property materials distribution revolving fund.

(b) To dispose of surplus property or other property that is obsolete or unused that belongs to the state or any other governmental unit or nonprofit organization, the commissioner may transfer or sell it to a governmental unit or nonprofit organization or sell it to any other person. Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d). Expenses incurred in connection with the disposal of surplus property or other property that is obsolete or unused must be paid from the materials distribution revolving fund. If the commissioner sells the property, the proceeds of the sale, minus any expenses of providing the service set by the commissioner, are appropriated to the governmental unit or nonprofit organization for whose account the sale was made, to be used and expended by the organization for the purposes it determines.

(c) The commissioner may centrally acquire, warehouse, and distribute supplies, materials, and equipment for governmental

units. Expenses incurred in connection with acquiring, warehousing, and distributing must be paid from the materials distribution revolving fund.

(d) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certification and submission to the federal administrator of general services.

Subd. 3. [REVOLVING FUND.] (a) [CREATION.] To pay for surplus property received from the federal government for governmental or nonprofit organizations, including the expense of accepting and distributing that property, there is a surplus property revolving fund in the state treasury. A materials distribution revolving fund is created in the state treasury. All money relating to the resource recovery program established under section 115A.15, subdivision 1, all money resulting from the acquisition, acceptance, warehousing, distribution, and public sale of surplus property, all money resulting from the sale of centrally acquired warehoused and distributed supplies, materials and equipment, and all money relating to the cooperative purchasing venture established under section 421.59 must be deposited in the fund. Money paid into the surplus property materials distribution revolving fund is appropriated to the commissioner for the purposes of the programs and services referred to in this section.

(b) [ADVANCES.] No more than \$1,000 from the surplus property revolving fund may be advanced to the commissioner or a state employee engaged in performing duties under this section to pay the expenses of travel, subsistence, toll charges, and similar expenses, in accordance with requirements prescribed by the commissioner of finance. When money which was advanced is repaid, it must be deposited in the state treasury to the credit of the surplus property revolving fund.

(e) [TRANSFER OR SALE TO STATE AGENCY.] When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance must, at the commissioner's request, transfer the cost of the surplus property, including any expenses of acquiring, accepting, warehousing, and distributing the surplus property, from the appropriation of the state agency receiving the surplus property to the surplus property materials distribution revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.

(d) (c) [TRANSFER OR SALE TO OTHER AGENCIES GOVERNMENTAL UNITS OR NONPROFIT ORGANIZATIONS.] When any governmental unit or nonprofit organization other than a state agency receives surplus property, supplies, materials, or equipment

from the commissioner, the governmental unit or nonprofit organization must reimburse the surplus property materials distribution revolving fund for the cost of the property, including the expenses of acquiring, accepting, warehousing, and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental unit or nonprofit organization to deposit in advance in the surplus property materials distribution revolving fund the cost of the surplus property, supplies, materials, and equipment upon mutually agreeable terms and conditions. The commissioner may charge a fee to political subdivisions and nonprofit organizations to establish their eligibility for receiving the property and to pay for costs of storage and distribution.

Sec. 13. Minnesota Statutes 1986, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The commissioner of administration shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (3) one member each from the state departments of administration, education, human services, revenue, planning and the legislative auditor; (4) one member from the office of the state auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. The council shall expire and the terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059, but the council does not expire until June 30, 1993.

Sec. 14. Minnesota Statutes 1986, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;

(2) to operate a central duplication and printing service;

(3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;

(4) to operate a documents service as prescribed by section 16B.51;

(5) to provide advice and other services to political subdivisions for the management of their records, information, and telecommunication systems;

(6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(7) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(8) to provide capitol security services through the department of public safety; and

(9) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 15. Minnesota Statutes 1986, section 16B.54, subdivision 8, is amended to read:

Subd. 8. [MOTOR POOL REVOLVING ACCOUNT.] (a) [ACCOUNT ESTABLISHED.] Money or reimbursements the commissioner receives from the operation of the central motor pool is deposited in the state treasury and credited to a motor pool revolving account. Money in the account is annually appropriated to the commissioner to carry out this section. The motor pool revolving account may be used to provide material transfer services to agencies. Money paid to the United States from the account must, upon refund by the United States, be returned to the account.

(b) [UNOBLIGATED EXCESS TRANSFERRED.] When the unobligated amount of money in the state treasury credited to the motor pool revolving account exceeds the sum of \$438,000 at the end of any

fiscal year, the unobligated amount in excess of \$438,000 must be transferred to the general fund in the state treasury.

Sec. 16. Minnesota Statutes 1986, section 16B.55, subdivision 3, is amended to read:

Subd. 3. [PERMITTED USES.] A state vehicle may be used by a state employee to travel to or from the employee's residence:

(1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working;

(2) if the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which the employee is permanently assigned;

(3) if the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which the employee is permanently assigned, and the number of miles traveled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after traveling to the place of state business.

Use of a state vehicle pursuant to this subdivision requires the prior approval of the agency head or the designee of the agency head. Within 15 days of the end of each three-month period, the head of each agency shall report to the commissioner on each case in which a state vehicle is used by an employee of that agency to travel to or from the employee's residence. The commissioner shall specify the form of this report and the information to be included. If no state vehicles have been used for this travel, the head of the state agency shall report this to the commissioner; or

(4) if the employee is authorized to participate in a ridesharing program established by the commissioner pursuant to section 174.257.

Use of a state vehicle under this subdivision requires the prior approval of the agency head or the designee of the agency head.

Sec. 17. Minnesota Statutes 1986, section 16B.55, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATIVE POLICIES VEHICLE OPERATING PROCEDURES.] The commissioner shall determine when an employee must reimburse the state for use of a state vehicle and the rates of reimbursement. Rates of reimbursement shall cover the full cost to the state for the travel for which reimbursement is required.

The commissioner shall also set operating procedures for use of state vehicles. These ~~rules, rates, and operating procedures~~ are not subject to the administrative procedure act. ~~Money received under these rules shall be deposited as nondedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.~~

Sec. 18. Minnesota Statutes 1986, section 16B.65, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION.] The department of employee relations, with the approval of the commissioner, shall either:

(1) ~~prepare and conduct oral, written, and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official, or;~~

(2) accept documentation of successful completion of testing programs of training developed by public nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2;
or

(3) determine qualifications by both clauses (1) and (2).

Upon a determination of qualification under either clause (1) ~~or~~, (2) or both of them the commissioner shall issue a certificate to the building official stating that the official is certified. Each person applying for examination and certification pursuant to this section shall pay a fee of \$20 ~~\$70.~~ The department of employee relations and the commissioner may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the department of employee relations and the commissioner determine determines that the official is qualified. The department of employee relations may, with the approval of the commissioner, prepare and conduct shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

The department of employee relations may, at the request of the commissioner, provide statewide testing services.

Sec. 19. Minnesota Statutes 1987 Supplement, section 16B.67, is amended to read:

16B.67 [APPEALS.]

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under

sections 471.465 to 471.469, may, within 180 days of the decision, appeal to the commissioner. Appellant shall submit a fee of \$20 \$70, payable to the commissioner, with the request for appeal. The final decision of the involved municipality is subject to review de novo by the commissioner or a designee. An appeal must be heard as a contested case under chapter 14. The commissioner shall submit written findings to the parties. The party not prevailing shall pay the costs of the contested case hearing, including fees charged by the office of administrative hearings and the expense of transcript preparation. Costs under this section do not include attorney fees. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the council on disability. No fee or costs shall be required when the council on disability is the appellant.

Sec. 20. Minnesota Statutes 1986, section 16B.85, is amended to read:

16B.85 [RISK MANAGEMENT.]

Subdivision 1. [ALTERNATIVES TO CONVENTIONAL INSURANCE.] In the event that the state is unable to obtain certain types of insurance, or the commissioner determines insurance to be unreasonably costly, The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance for areas of risk not subject to collective bargaining agreements, plans established under section 43A.18, or programs established under sections 176.540 to 176.611. A The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Subd. 2. [RISK MANAGEMENT FUND.] A state risk management fund is created. All state agencies which have had or may have casualty claims against them with respect to the risks for which the commissioner has implemented conventional insurance alternatives shall contribute to the fund a portion of the money appropriated to them. The commissioner shall determine the proportionate share of each agency on the basis of the agency's casualty claim experience as compared to other affected agencies. The money in the fund to pay casualty claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner. Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision. The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency

on the basis of the agency's casualty claim experience as compared to other affected agencies.

(1) All state agencies may, in cooperation with the commissioner, participate in insurance programs and other funding alternative programs provided by the risk management fund.

(2) When an agency or agencies enter into an insurance or self-insurance program, each agency shall contribute the appropriate share of their costs as determined by the commissioner.

(3) The money in the fund to pay claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner.

(4) Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision.

(5) The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency.

Subd. 3. [RESPONSIBILITIES.] The commissioner shall:

(1) review the state's exposure to various types of potential risks in consultation with affected agencies and advise state agencies as to the reduction of risk and fiscal management of those losses;

(2) be responsible for statewide risk management coordination, evaluation of funding and insuring alternatives, and the approval of all insurance purchases in consultation with affected agencies;

(3) identify ways to eliminate redundant efforts in the management of state risk management and insurance programs;

(4) maintain the state risk management information system; and

(5) administer and maintain the state risk management fund.

Subd. 4. [COMPETITIVE BIDDING.] The commissioner may request bids from insurance carriers or may negotiate with insurance carriers and may enter into contracts with insurance carriers which in the judgment of the commissioner are best qualified to underwrite and service the insurance programs.

Subd. 5. [RISK MANAGEMENT FUND NOT CONSIDERED INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits or governmental liability to the extent of the liability stated in the policy but has no effect on the liability of the agency and its employees beyond the coverage as provided. Procurement of commercial insurance, participation in the risk management fund under section 16B.85, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any of the governmental immunities or exclusions under section 3.736.

Sec. 21. Minnesota Statutes 1986, section 94.12, is amended to read:

94.12 [CONTRACT FOR DEED AND QUITCLAIM DEED.]

In the event a purchaser elects to purchase surplus real property on an installment basis, the commissioner of administration shall enter into a contract for deed with the purchaser thereof in which shall be set forth the description of the real property sold and the price thereof, the consideration paid and to be paid therefor, the rate of interest, and time and terms of payment. This contract for deed shall be made assignable and shall further set forth that in case of the nonpayment of the annual principal or interest payment due by the purchaser, or any person claiming under the purchaser, then the contract for deed, from the time of such failure, will be entirely void and of no effect and the state may be repossessed of the lot or tract and may resell the same as provided in sections 94.09 to 94.16. In the event the terms and conditions of a contract for deed are completely fulfilled or if a purchaser makes a lump sum payment for the subject property in lieu of entering into a contract for deed, ~~the governor, upon the recommendation of the commissioner of administration,~~ shall sign and cause to be issued a quitclaim deed on behalf of the state. Said quitclaim deed shall be in a form prescribed by the attorney general and shall vest in purchaser all of the state's interest in the subject property except as provided in section 94.14.

Sec. 22. Minnesota Statutes 1987 Supplement, section 115A.15, subdivision 6, is amended to read:

Subd. 6. [~~RESOURCE RECOVERY REVOLVING ACCOUNT USE OF MATERIALS DISTRIBUTION REVOLVING FUND.~~] Upon the certification of the commissioner of administration, the commissioner of finance shall establish an account in the general services revolving fund, effective June 30, 1980, for the operation of the state government resource recovery program. The revolving account shall consist of All funds appropriated by the state for the

resource recovery program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of expenses incurred by the commissioner in developing and administering resource recovery systems for state agencies, local governments, and regional agencies governmental units, and nonprofit organizations must be deposited in the materials distribution revolving fund created in section 16B.28. The account fund may be used for all activities associated with the program including payment of administrative and operating costs, except statewide and agency indirect costs. The commissioner shall determine the waste disposal cost savings associated with recycling and reuse activities, collect those savings from the account responsible for disposing of wastes produced in state buildings, and credit the savings to the resource recovery revolving account materials distribution revolving fund.

Sec. 23. Minnesota Statutes 1986, section 136.61, subdivision 1, is amended to read:

Subdivision 1. The state board for community colleges shall consist of nine members appointed by the governor with the advice and consent of the senate. They shall be selected for their knowledge of, and interest in community colleges of Minnesota. One member shall be a full-time student at a community college at the time of appointment or shall have been a full-time student at a community college within one year before appointment to the state board for community colleges. Other than the student or recent graduate member, at least one member shall be a resident of each congressional district and two members shall be graduates of a community college in this state. In making appointments to the board, the governor shall recognize the mission of the community college system and attempt to reflect the groups served by the mission.

Sec. 24. Minnesota Statutes 1986, section 136.622, is amended to read:

136.622 [COMPUTER SALES AND MAINTENANCE TECHNICAL EQUIPMENT.]

Subdivision 1. [PROPRIETARY PURCHASES.] Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding chapter 16B.

Subd. 2. [COMPUTER SALES AND SUPPORT.] The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service,

maintenance, and support for computers and related products sold by the board.

Sec. 25. Minnesota Statutes 1986, section 136.67, subdivision 2, is amended to read:

Subd. 2. The state community college board may establish activity funds, ~~except for dormitory purposes, and~~ imprest cash funds, waive tuition charges, and act as agent and accept the benefits of Public Law Number 88-452, known as the Economic Opportunity Act of 1964, as amended, and Public Law Number 85-864, known as the National Defense Education Act of 1958, as amended, to the same extent and subject to the same conditions as this authority is vested in the state university board. Sections 136.045; 136.142; 136.143; 136.144; 136.171; 136.22; 136.56; 169.966; and 352.01, subdivision 2a, clause (6), also apply to the state community college board and the state community colleges in the same manner as to the state university board and the state universities.

Sec. 26. [136.89] [NONPROFIT FOUNDATION PAYROLL DEDUCTION.]

Subdivision 1. [REQUEST; WARRANT.] The commissioner of finance, upon the written request of an employee of a community college or the state board for community colleges, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit community college foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. [FOUNDATION APPLICATION; APPROVAL.] A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;

(3) secures funding solely for distribution to that community college; and

(4) has been incorporated according to chapter 317 for at least one calendar year prior to the date it applies to the state board for community colleges for approval.

Subd. 3. [SOLICITATION.] Efforts to secure payroll deductions

authorized in subdivision 1 must not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 27. [136.91] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the state board for community colleges must consider the documentation provided by the bidders regarding their qualifications including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section which include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 28. Minnesota Statutes 1987 Supplement, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the

department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly printed displayed on both sides thereof in letters not less than 2½ inches high, one and one-half inch wide and of a three-eighths inch stroke; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required printing identification on the sides of the vehicle. Such printing identification shall be in a color giving a marked contrast with that of the part of the vehicle on which it is placed and shall be done with a good quality of paint that will endure throughout the term of the registration. The printing identification must be on a part of the vehicle itself and not be on a removable plate or placard of any kind and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 29. Minnesota Statutes 1986, section 214.07, subdivision 1, is amended to read:

~~Subdivision 1. [BOARD REPORTS.]~~ The health-related licensing boards and the non-health-related licensing boards shall prepare reports by October 1 of each even-numbered year on forms prepared by the commissioner of administration. Copies of the reports shall be delivered to the legislature in accordance with section 3.195, and to the governor and the commissioner of administration. Copies of the reports of the health-related licensing boards shall also be delivered to the commissioner of health. The reports shall contain the following information relating to the two-year period ending the previous June 30:

- (a) a general statement of board activities;
- (b) the number of meetings and approximate total number of hours spent by all board members in meetings and on other board activities;
- (c) the receipts and disbursements of board funds;

(d) the names of board members and their addresses, occupations, and dates of appointment and reappointment to the board;

(e) the names and job classifications of board employees;

(f) a brief summary of board rules proposed or adopted during the reporting period with appropriate citations to the State Register and published rules;

(g) the number of persons having each type of license and registration issued by the board as of June 30 in the year of the report;

(h) the locations and dates of the administration of examinations by the board;

(i) the number of persons examined by the board with the persons subdivided into groups showing age categories, sex, and states of residency;

(j) the number of persons licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(k) the number of persons not licensed or registered by the board after taking the examinations referred to in clause (h) with the persons subdivided by age categories, sex, and states of residency;

(l) the number of persons not taking the examinations referred to in clause (h) who were licensed or registered by the board or who were denied licensing or registration with the reasons for the licensing or registration or denial thereof and with the persons subdivided by age categories, sex, and states of residency;

(m) the number of persons previously licensed or registered by the board whose licenses or registrations were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension or alteration;

(n) the number of written and oral complaints and other communications received by the executive secretary of the board, a board member, or any other person performing services for the board (1) which allege or imply a violation of a statute or rule which the board is empowered to enforce and (2) which are forwarded to other agencies as required by section 214.10;

(o) a summary, by specific category, of the substance of the complaints and communications referred to in clause (n) and, for each specific category, the responses or dispositions thereof pursuant to section 214.10 or 214.11;

(p) any other objective information which the board members believe will be useful in reviewing board activities.

Sec. 30. Minnesota Statutes 1986, section 268.0122, is amended by adding a subdivision to read:

Subd. 6. [SALE, PURCHASE REAL PROPERTY.] Notwithstanding sections 16B.24 and 268.026 or chapter 94, the commissioner of administration, in consultation with the commissioner of jobs and training, is authorized to buy and sell real property in Minneapolis and the greater Minneapolis area for the purpose of relocating department offices to locations more accessible to the residents of Minneapolis and co-locating with other social service agencies.

Sec. 31. Minnesota Statutes 1986, section 382.153, is amended to read:

382.153 [BONDING OF COUNTY OFFICERS AND EMPLOYEES.]

Subdivision 1. In counties now or hereafter having a population of more than 250,000, when a corporate surety bond has been furnished by any county officer or employee pursuant to statute or resolution of the county board, the premium therefor shall be paid by the county, provided that the county board may designate the surety.

The county board shall cause to be published in its official publication, a notice for bids for the furnishing of all such bonds and shall award a contract to the lowest responsible bidder.

Subd. 2. In any county, in lieu of the individual bonds required to be furnished by county officers or by county employees, a schedule or position bond or undertaking may be given by county officers or by the employees of each county office or department, or a single corporate surety fidelity, schedule or position bond or undertaking covering all the officers and employees of any such county including officers and employees required by law to furnish an individual bond or undertaking may be furnished, in the respective amounts fixed by law, or by the person or board authorized by law to fix the same, conditioned substantially as provided in section 574.13, and upon a form to be prescribed by the commissioner of administration.

Sec. 32. Laws 1987, chapter 365, section 24, is amended to read:

Sec. 24. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes, section 4.31, subdivisions 1 and to 5, in chapter 16B.

Sec. 33. [REPEALER.]

Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. Sections 3, 5 to 9, and 11 to 33 are effective July 1, 1988. Section 10 is effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; increasing the powers of the state board for community colleges; changing the criteria for board membership; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 15.50, by adding a subdivision; 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.24, by adding subdivisions; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 136.61, subdivision 1; 136.622; 136.67, subdivision 2; 214.07, subdivision 1; 268.0122, by adding a subdivision; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapter 365, section 24; proposing coding for new law in Minnesota Statutes, chapters 16B and 136; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

H. F. No. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for voting, arranging names on ballots, and completing summary statements; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; 204D.08, subdivision 4; and 206.80; proposing coding for new law in Minnesota Statutes, chapter 201.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wynia from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2613, A resolution memorializing the Congress of the United States to ratify the Genocide Treaty.

Reported the same back with the following amendments:

Page 1, line 17, after "States" insert "to enact the necessary legislation"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 1121, A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 2003, A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads;

regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1987
Commissioner of finance; Commissioner of education; Commissioner of transportation; Commissioner of human services; Commissioner of revenue; Executive director, state board of investment;	\$57,500-\$78,500
Commissioner of administration; Commissioner of agriculture; Commissioner of commerce; Commissioner of corrections; Commissioner of jobs and training; Commissioner of employee relations; Commissioner of energy and economic development; Commissioner of health; Commissioner of labor and industry; Commissioner of natural resources; Commissioner of public safety;	\$50,000-\$67,500

Chair, waste management board;
 Chief administrative law judge;
 office of administrative hearings;
 Director, pollution control agency;
 Director, state planning agency;
 Executive director, housing finance
 agency;
 Executive director, public employees
 retirement association;
 Executive director, teacher's
 retirement association;
 Executive director, state
 retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;

Commissioner of human rights;	\$42,500-\$60,000
Director, department of public service;	
Commissioner of veterans' affairs;	
Director, bureau of mediation services;	
Commissioner, public utilities commission;	
Member, transportation regulation board;	
<u>Ombudsman for corrections;</u>	
<u>Ombudsman for mental health and retardation.</u>	

Sec. 2. Minnesota Statutes 1986, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE AFFIRMATIVE ACTION PROGRAM.] (a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program shall consist of at least the following:

- (1) objectives, ~~long-range and interim~~ goals, and policies;
- (2) procedures, standards and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables shall be established; and
- (3) requirements for annual objectives and submission of affirmative action progress reports from heads of agencies.

(b) The commissioner shall base ~~interim~~ affirmative action goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(5) the expected number of available positions to be filled.

(c) The commissioner shall designate a state director of equal employment opportunity who may be delegated the preparation, revision, implementation and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 3. Minnesota Statutes 1987 Supplement, section 43A.191, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AND INCENTIVES.] (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By ~~February~~ March 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, and the governmental operations committees of both houses of the legislature. The report must include each agency's rate of compliance with annual hiring goals. In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. By January 15, 1986, the commissioner shall submit to the

legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 4. Minnesota Statutes 1986, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans shall be bid or negotiated separately from contracts to service the benefit plans, which shall be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans; conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 200 employees in the preceding benefit year. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. Any carrier licensed pursuant to chapter 62A shall be exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 5. Minnesota Statutes 1986, section 43A.23, subdivision 3, is amended to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of labor and industry employee relations may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results

from their state employment which is compensable under chapter 176.

Sec. 6. Minnesota Statutes 1986, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical and dental coverages that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired. A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored medicare program. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 7. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(b) [EMPLOYEE.] "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14; who is insurance eligible and is employed by an eligible employer or (2) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner.

(c) [ELIGIBLE EMPLOYER.] "Eligible employer" means

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional management information center as

defined in section 121.935, or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b); or

(3) another public employer approved by the commissioner.

(d) [EXCLUSIVE REPRESENTATIVE.] "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) [LABOR-MANAGEMENT COMMITTEE.] "Labor-management committee" means the committee established by subdivision 4.

(f) [PLAN.] "Plan" means the statewide public employees insurance plan created by subdivision 3.

Sec. 8. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] There is created a labor-management committee of ten members appointed by the commissioner. The labor-management committee shall consist of five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members shall be eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted pursuant to section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.

Sec. 9. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or is on ~~unrequested~~ leave may elect to continue the plan coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Premiums for these employees shall be established by the commissioner. Coverage continues until one of the following occurs:

(1) the employee is reemployed and eligible for health care coverage under a group policy; or

(2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 352B, 352C, 352D, 353, 354, 354A, 356, 422A, 423, 423A, 424, or 490 is eligible to continue participation in the plan. Any employer's contribution must cease when the retiree reaches age 65. These employees, and employees who have already retired prior to the group from which they retired entering the plan, are eligible to participate as long as their group continues to participate. This participation is at the retiree's expense unless a collective bargaining agreement provides otherwise. Premiums for these participants shall be established by the commissioner. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee shall notify the employer within 30 days of the effective date of retirement of intent to exercise this option.

(c) The spouse of a deceased, active, or retired employee may purchase the benefits provided at premiums established by the commissioner if the deceased retired employee received an annuity under chapter 352, 353, 354, 354A, 356, 422A, 423, 423A, or 424 and if the spouse was a dependent under the active or retired employee's coverage under this section at the time of the death of the retired employee. These participants are eligible to participate as long as the group which included their spouse participates. Coverage under this clause shall be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(e) (d) The plan benefits shall continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) (e) A person who desires to participate under paragraphs (a) to (e) (d) shall notify the eligible employer or former employer of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner, and coverage shall begin as soon as the commissioner permits.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 10. Minnesota Statutes 1987 Supplement, section 43A.316, is amended by adding a subdivision to read:

Subd. 10. [BIDDING REQUIREMENT EXEMPTION.] The public employee insurance plan is exempt from the requirements imposed by section 471.616, subdivision 1.

Sec. 11. Minnesota Statutes 1987 Supplement, section 43A.421, is amended to read:

43A.421 [SUPPORTED WORK PROGRAM.]

A total of 50 additional full-time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.

Sec. 12. Minnesota Statutes 1987 Supplement, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~labor and industry~~ employee relations represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund

upon warrants of the commissioner of labor and industry employee relations. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 13. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] Every department of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims and the costs of administering the revolving fund at such times and in such amounts as the commissioner of labor and industry employee relations shall certify has been paid out of the fund on its behalf. The heads of the departments shall anticipate these payments by including them in their budgets. In addition, the commissioner of labor and industry employee relations, with the approval of the commissioner of finance, may require an agency to make advance payments to the fund sufficient to cover the agency's estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of labor and industry employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 14. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 3a, is amended to read:

Subd. 3a. [LOANS.] To maintain an ongoing balance sufficient to pay sums currently due for benefits and administrative costs, the commissioner of finance, upon request of the commissioner of labor and industry employee relations, may transfer money from the general fund to the state compensation revolving fund. Before requesting the transfer, the commissioner of labor and industry employee relations must decide there is not enough money in the fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner of labor and industry employee relations shall make schedules to repay the transferred

money to the general fund. The repayment may not extend beyond five years.

Sec. 15. [WASTE MANAGEMENT BOARD EMPLOYEES.]

By January 1, 1989, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under Minnesota Statutes, section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred. This section does not apply to the chair of the board, the assistant to the chair, and to one confidential secretary to the board.

Delete the title and insert:

"A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; and 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 2226, A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision;

Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 3.922, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION; EXPENSES; EXPIRATION.] Compensation of nonlegislator members and expiration of the council shall be as provided in section 15.059. Expenses of the council shall be approved by two of any three members of the council designated by the council and shall then be paid in the same manner as other state expenses are paid. The commissioner of finance shall be informed in writing by the executive secretary of the names of the persons authorized to approve expenses.

Sec. 2. Minnesota Statutes 1986, section 3.9223, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is created a state council on affairs of Spanish-speaking people to consist of seven members appointed by the governor. The demographic composition of the council members shall accurately reflect the demographic composition of Minnesota's Spanish-speaking community, including migrant workers, as determined by the state demographer. Membership, terms, compensation, removal of members and filling of vacancies shall be as provided in section 15.0575. Compensation of members is as provided in section 15.059, subdivision 3. The council shall annually elect from its membership a chair and other officers it deems necessary. The council shall expire on the date provided by section 15.059, subdivision 5.

Sec. 3. Minnesota Statutes 1986, section 3.9225, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is created a state council on Black Minnesotans to consist of seven members appointed by the

governor. The members of the council shall be broadly representative of the Black community of the state and shall include at least three males and at least three females. Membership terms, compensation, removal of members and filling of vacancies for nonlegislative members, and expiration of the council shall be as provided in section 15.059. In addition, two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the committee on rules and administration shall serve as ex officio, nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.

Sec. 4. Minnesota Statutes 1986, section 3.9226, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The state council on Asian-Pacific Minnesotans consists of 13 members. Nine members are appointed by the governor and shall be broadly representative of the Asian-Pacific community of the state. Terms, compensation, removal, and filling of vacancies for these members and expiration of the council are as provided in section 15.059. In addition, two members of the house of representatives appointed under the rules of the house of representatives and two members of the senate appointed under the rules of the senate shall serve as nonvoting members of the council. The council shall annually elect from its membership a chair and other officers it deems necessary.

Sec. 5. Minnesota Statutes 1986, section 6.65, is amended to read:

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

The state auditor shall prescribe minimum procedures and the audit scope for auditing the books, records, accounts, and affairs of local governments in Minnesota. The minimum scope for audits of all local governments shall include financial and legal compliance audits for fiscal years ending after January 15, 1984. ~~The state auditor shall establish a task force to promulgate an audit guide for legal compliance audits. The task force shall include representatives of the state auditor, the attorney general, towns, cities, counties, school districts and private sector public accountants.~~

Sec. 6. Minnesota Statutes 1987 Supplement, section 15.059, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Members of the advisory councils and committees shall be compensated at the rate of at least \$35 per day spent on council or committee activities, when authorized by the council or committee, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted pursuant to section 43A.18, subdivision 2. The state agency that provides

funding for the advisory council or committee may authorize compensation of up to \$75 per day spent on council or committee activities. Members who, as a result of time spent attending council or committee meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon council or committee authorization. If members who are state employees or employees of political subdivisions receive the \$35 per day daily compensation, and if the major part of their activities occur during normal working hours for which they are also compensated by the state or political subdivision, the employer shall deduct the \$35 daily compensation from the employee's compensation for the day. In no other case shall a member who is an employee of the state or a political subdivision suffer a loss in compensation or benefits from the state or political subdivision as a result of service on the council or committee. Members who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this section unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.

Sec. 7. Minnesota Statutes 1986, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless an earlier date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, 1988 1993.

Sec. 8. Minnesota Statutes 1987 Supplement, section 15.059, subdivision 6, is amended to read:

Subd. 6. [ADVISORY TASK FORCES.] If the existence of an advisory task force is mandated by statute, the task force shall expire on the date specified in the enabling legislation. If no expiration date is specified, the task force shall expire two years after the effective date of the act creating the advisory task force. If the existence of a task force is authorized but not mandated by statute, the task force shall expire at the pleasure of the person or group which creates the task force, or two years after the first members of the task force are appointed, whichever is sooner. A person or group mandated or with discretionary authority to create a task force may create another task force to continue the work of a task force which expires, unless the enabling legislation specifies an expiration date or creation of another task force is prohibited by other law.

Members of advisory task forces shall not receive the \$35 per diem specified in this section but shall receive expenses in the same manner and amount as provided in the commissioner's plan under section 43A.18, subdivision 2. Members who, as a result of time

spent attending task force meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon task force authorization. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours. Members appointed to these advisory task forces shall serve until the expiration date of the advisory task force and may be removed pursuant to subdivision 4.

Sec. 9. Minnesota Statutes 1987 Supplement, section 16B.20, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the commissioner of administration. A chair of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem. The council expires as provided in section 15.059, subdivision 5.

Sec. 10. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] There is created a labor-management committee of ten members appointed by the commissioner. The labor-management committee shall consist of five members who represent employees, including at least one retired employee, and five members who represent eligible employers. The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency. The committee expires as provided in section 15.059, subdivision 5.

Sec. 11. Minnesota Statutes 1986, section 79.51, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee which shall offer recommendations regarding rulemaking under this section. The advisory committee shall include representatives of insurers, employers, and employees. The advisory committee expires as provided in section 15.059, subdivision 5.

Sec. 12. Minnesota Statutes 1986, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The governor shall appoint, except for the legislative members, a citizen's council on Voyageurs National Park, consisting of 17 members as follows:

Four residents of Koochiching county;

Four residents of St. Louis county;

Five residents of the state at large from outside Koochiching and St. Louis counties;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chair and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of nonlegislator members, and expiration of the council shall be as provided in section 15.059. This section is repealed June 30, 1987.

Sec. 13. Minnesota Statutes 1986, section 85A.02, subdivision 4, is amended to read:

Subd. 4. The board may appoint an advisory committee task force consisting of persons who are members of zoological societies or who have shown a background or interest in such societies or zoo management or an ability to generate community support for the Minnesota zoological garden. The task force expires as provided in section 15.059, subdivision 6.

Sec. 14. Minnesota Statutes 1986, section 115.54, is amended to read:

115.54 [TECHNICAL ADVISORY COMMITTEE.]

The agency shall adopt and revise rules governing waste water treatment control under this chapter or chapter 116 only with the advice of a technical advisory committee of nine members. One member of the committee shall be selected by each of the following: the state consulting engineers council, the University of Minnesota division of environmental engineering, the state association of general contractors, the state wastewater treatment plant operators association, the metropolitan waste control commission created by

section 473.503, the association of metropolitan municipalities, the state association of small cities, and two members from the league of Minnesota cities. The technical advisory committee may review and advise the agency on any rule or technical requirements governing the wastewater treatment grant or loan program and may review the work of other professional persons working on a wastewater treatment project and make recommendations to those persons, the agency, and the concerned municipality, in order for the agency to ensure that water quality treatment standards will be met. The committee shall meet at least once a year, or at the call of the chair, and shall elect its chair. The agency must provide staff support for the committee, prepare committee minutes and provide information to the committee it may request. A quorum is a simple majority and official action must be by a majority vote of the quorum. The committee expires as provided in section 15.059, subdivision 5.

Sec. 15. Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state. The councils shall have not less than nine nor more than 18 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms. The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5.

Sec. 16. Minnesota Statutes 1986, section 116C.59, subdivision 1, is amended to read:

Subdivision 1. [ADVISORY COMMITTEE TASK FORCE.] The board shall may appoint one or more advisory committees task forces to assist it in carrying out its duties. Committees Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the board, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent or employee of a utility shall serve on an advisory committee task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6.

Sec. 17. Minnesota Statutes 1986, section 116C.59, subdivision 2, is amended to read:

Subd. 2. [OTHER PUBLIC PARTICIPATION.] The board shall adopt broad spectrum citizen participation as a principal of operation. The form of public participation shall not be limited to public hearings and advisory committees task forces and shall be consistent with the board's rules and guidelines as provided for in section 116C.66.

Sec. 18. Minnesota Statutes 1986, section 116C.59, subdivision 4, is amended to read:

Subd. 4. [SCIENTIFIC ADVISORY COMMITTEE TASK FORCE.] The board may appoint one or more advisory committee task forces composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees. The task forces expire as provided in section 15.059, subdivision 6.

Sec. 19. Minnesota Statutes 1986, section 116C.839, is amended to read:

116C.839 [ADVISORY COMMITTEE.]

An advisory committee is created to consult with and advise the director, the governor, and the legislature on low-level radioactive waste issues. The advisory committee shall consist of three representatives chosen by the speaker of the house; three senators chosen by the senate committee on committees; the director; the commissioner of health; the commissioner of transportation; the commissioner of department of natural resources; and the chair of the environmental quality board. The committee shall elect a chair from

among its members. The committee expires as provided in section 15.059, subdivision 5.

The advisory committee may appoint a technical task force on low-level radioactive waste, including but not limited to any members of the public with special expertise in low-level radioactive waste, state agency personnel, and generators representing the medical, industrial, and commercial organizations in the state which ship wastes to regional facilities. The task force expires as provided in section 15.059, subdivision 6.

Sec. 20. Minnesota Statutes 1987 Supplement, section 116J.971, is amended by adding a subdivision to read:

Subd. 10. [EXPIRATION.] Sections 116J.970 and 116J.971 are repealed June 30, 1993.

Sec. 21. Minnesota Statutes 1987 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of 15 members is established. The members and the chair shall be appointed by the governor. The council shall be composed of at least three parents of handicapped children under age seven, a representative of each of the commissioners of education, health, and human services, three representatives of public or private providers of services for handicapped children under age five, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education, at least one representative of advocacy organizations for handicapped children, and other members knowledgeable about handicapped children under age five. Section 15.059 applies, subdivisions 2 to 5 apply to the council, except that the council is permanent and does not expire. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for handicapped children and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for handicapped children under age five and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

It is the joint responsibility of county boards and school districts to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, case management, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable handicapped children to benefit from early intervention services. School districts must be the primary agency in this cooperative effort.

Each year by January 15 the council shall submit its recommendations to the education committees of the legislature, the governor, and the commissioners of education, health, and human services.

Sec. 22. Minnesota Statutes 1986, section 121.83, is amended to read:

121.83 [MINNESOTA EDUCATION COUNCIL.]

There is hereby established the Minnesota education council composed of the members of the education commission of the states representing this state, and two other persons from each congressional district of which one shall be a legislator. Four representatives shall be appointed by the speaker of the house and four senators shall be appointed by the committee on committees. Legislative members shall serve terms coinciding with their respective terms of office. The commissioner of education shall appoint one member from each congressional district, for terms coinciding with the term of the commissioner, who broadly represent professional and lay interests within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The commissioner shall designate a chair from among the council members. The council shall meet on the call of the commissioner, but in any event the council shall meet not less than twice in each year. The council may consider any and all matters relating to recommendations of the education commission of the states and the activities of the members representing this state thereon, shall serve as a forum for major education policies, and shall serve to exchange information about important education activities of interest to all parties. Members of the council shall serve without salary, but shall be reimbursed for actual expenses incurred in attendance at meetings of the council. The council expires as provided in section 15.059, subdivision 5.

Sec. 23. Minnesota Statutes 1986, section 121.901, subdivision 2, is amended to read:

Subd. 2. ~~The council shall expire, and the terms and removal of members of the council 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. Section 15.059, subdivision 5, does not apply.~~

Sec. 24. Minnesota Statutes 1987 Supplement, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board appointed by the governor is established. Section 15.059, subdivisions 2, and 4, ~~and 5~~, shall govern membership terms, removal of members, and filling of membership vacancies. Section 15.059, subdivision 5, does not apply.

Sec. 25. Minnesota Statutes 1987 Supplement, section 123.935, subdivision 7, is amended to read:

Subd. 7. [NONPUBLIC EDUCATION COUNCIL.] The commissioner shall appoint a 15-member council on nonpublic education. The 15 members shall represent various areas of the state, represent various methods of providing nonpublic education, and shall be knowledgeable about nonpublic education. The compensation, removal of members, filling of vacancies, and terms are governed by section 15.0575. The council expires as provided in section 15.059, subdivision 5. The council shall advise the commissioner and the state board on nonpublic school matters under this section. The council may recognize educational accrediting agencies, for the sole purpose of sections 120.101, 120.102, and 120.103. When requested by the commissioner or the state board, the council may submit its advice about other nonpublic school matters.

Sec. 26. Minnesota Statutes 1986, section 124.48, subdivision 3, is amended to read:

Subd. 3. [INDIAN SCHOLARSHIP COMMITTEE.] The Minnesota Indian scholarship committee is established. Members shall be appointed by the state board with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the committee, which expires no later than the date provided in section 15.059, subdivision 5. The committee shall provide advice to the state board in awarding scholarships to eligible American Indian students and in administering the state board's duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 27. Minnesota Statutes 1986, section 126.56, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires as provided in section 15.059, subdivision 5.

Sec. 28. Minnesota Statutes 1987 Supplement, section 126.665, is amended to read:

126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

By February 1 of each year, the commissioner, in cooperation with the state curriculum advisory committee, shall prepare a report for the education committees of the legislature. The report shall include the recommendations of the state curriculum advisory committee. The committee expires as provided in section 15.059, subdivision 5.

Sec. 29. Minnesota Statutes 1986, section 128A.03, subdivision 3, is amended to read:

Subd. 3. The terms, compensation and removal of council members, and expiration of the council shall be as provided in section 15.059, subdivisions 2, 3, and 4, and 5. ~~The council shall not expire.~~

Sec. 30. Minnesota Statutes 1987 Supplement, section 129C.10, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES OF BOARD.] (a) The board has the powers necessary for the care, management, and control of the Minnesota school and resource center for the arts and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the school and resource center.

(c) The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs through the resource center for teachers and pupils.

(e) The board may identify pupils in grades 9 to 12 who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board shall educate pupils with artistic talent by providing:

(1) a pilot interdisciplinary academic and arts program for pupils in the 11th and 12th grades, beginning with 135 pupils in the 11th grade in September 1989, and 135 pupils in the 11th grade and 135 pupils in the 12th grade in September 1990;

(2) intensive arts seminars for one or two weeks for ninth and tenth grade pupils;

(3) summer arts institutes for pupils in grades nine to 12;

(4) artist mentor and extension programs in regional sites; and

(5) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Minnesota school and resource center for the arts and any additional facilities related to the school, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish advisory committees task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the arts high school, including a school store, operating in connection with the school; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the arts high school.

(m) The board may provide for transportation of pupils to and from the school and resource center for the arts for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the state board of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the school and resource center for the arts. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils.

(o) The board may establish and set fees for services and programs without regard to chapter 14. If the board sets fees not authorized or

prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 120.75, subdivision 1.

Sec. 31. Minnesota Statutes 1986, section 135A.05, is amended to read:

135A.05 [TASK FORCE.]

The executive director of the Minnesota higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the education division of the house appropriations committee, the education subcommittee of the senate finance committee, the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year. The task force expires as provided in section 15.059, subdivision 6.

Sec. 32. Minnesota Statutes 1987 Supplement, section 136A.02, subdivision 6, is amended to read:

Subd. 6. A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The council shall report to the board at least quarterly. The

council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. The council expires as provided in section 15.059, subdivision 5.

Sec. 33. Minnesota Statutes 1986, section 136A.02, subdivision 7, is amended to read:

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board,

(2) make recommendations to the board as the council deems appropriate,

(3) review and comment upon proposals and other matters before the board,

(4) provide any reasonable assistance to the board, and

(5) select one of its members to serve as chair and as a nonvoting member of the board. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. The council expires as provided in section 15.059, subdivision 5.

Sec. 34. Minnesota Statutes 1986, section 138.97, subdivision 3, is amended to read:

Subd. 3. [GOVERNANCE.] The center shall be developed during its planning phase under the guidance of a labor interpretative task force whose chair is appointed by the governor. The chair shall select the members of the task force. The task force shall complete its work within 18 months of August 1, 1986. The task force shall dissolve after the 18 months or when its work is completed, whichever is sooner. An advisory council shall be appointed by the director of the Minnesota historical society after the dissolution of the task force to assist the director with the operation of the center. The council expires as provided in section 15.059, subdivision 5.

Sec. 35. Minnesota Statutes 1987 Supplement, section 144.672, subdivision 1, is amended to read:

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze the 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) payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;
- (4) criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study;
- (5) specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; and
- (6) establishment of a committee to assist the commissioner in the review of system activities. The committee expires as provided in section 15.059, subdivision 5.

Sec. 36. Minnesota Statutes 1986, section 162.02, subdivision 2, is amended to read:

Subd. 2. [RULES.] The rules shall be made and promulgated by the commissioner acting with the advice of a committee which shall be selected by the several county boards acting through the officers of the statewide association of county commissioners. The committee shall be composed of nine members so selected that each member shall be from a different state highway construction district. Not more than five of the nine members of the committee shall be county commissioners. The remaining members shall be county highway engineers. The committee expires as provided in section 15.059, subdivision 5. In the event that agreement cannot be reached on any rule the commissioner's determination shall be final. The rules shall be printed and copies thereof shall be forwarded to the county auditors and the county engineers of the several counties.

Sec. 37. Minnesota Statutes 1986, section 162.09, subdivision 2, is amended to read:

Subd. 2. [RULES.] The rules shall be made and promulgated by the commissioner acting with the advice of a committee which shall be selected by the governing bodies of such cities, acting through the officers of the statewide association of municipal officials. The committee shall be composed of 12 members, so selected that there shall be one member from each state highway construction district and in addition one member from each city of the first class. Not more than six members of the committee shall be elected officials of the cities. The remaining members of the committee shall be city engineers. The committee expires as provided in section 15.059, subdivision 5. In the event that agreement cannot be reached on any rule the commissioner's determination shall be final. The rules shall be printed and copies thereof shall be forwarded to the clerks and engineers of the cities.

Sec. 38. Minnesota Statutes 1986, section 174.031, subdivision 2, is amended to read:

Subd. 2. [STUDY GUIDELINES.] (a) The commissioner shall establish guidelines for the studies. The guidelines must require that recommended jurisdictional changes in each study be based on functional classification as modified by other factors, which must include: level and type of commodities moved, service to economic centers, load-bearing capacity, service to state and local institutions, tourism function, constitutional status, and other factors the commissioner deems necessary. The guidelines must provide criteria for estimating the changes in financial obligations that will accompany each transfer of mileage under the jurisdiction proposals produced by the studies. The guidelines must include requirements for extensive consultation by the entities performing the studies with officials of affected counties, cities, and towns and requirements for public

hearings on the completed jurisdiction proposals resulting from the studies. The guidelines are not subject to the administrative procedure act and must be completed by July 30, 1985.

(b) To assist in formulating the guidelines, the commissioner shall appoint an advisory committee, to serve without compensation and to represent county, city, and town governments. The committee expires as provided in section 15.059, subdivision 5.

Sec. 39. Minnesota Statutes 1987 Supplement, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; five nonvoting members representing the general public; two persons who have received or are currently receiving workers' compensation benefits under chapter 176 and the chairs of the rehabilitation review panel and the medical services review board. The council may consult with any party it desires. The terms and removal of members shall be as provided in section 15.059. The council is not subject to expires as provided in section 15.059, subdivision 5.

Sec. 40. Minnesota Statutes 1986, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, ~~and removal of council members is, and expiration of the council~~ are governed by section 15.059. ~~The council shall not expire as provided by section 15.059.~~ The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 41. Minnesota Statutes 1986, section 182.653, subdivision 4e, is amended to read:

Subd. 4e. Each employer who is engaged in a farming operation and employs more than ten employees or who is engaged in a farming operation and maintains a temporary labor camp and employs any of its residents, shall comply with a training program, developed by the commissioner, concerning the hazardous substances and harmful physical agents to which the employees are routinely exposed. The commissioner shall develop this training program in consultation with experts in agricultural work environment hazards ~~and an advisory task force appointed by the commissioner, consisting of three representatives of agricultural employers and three representatives of agricultural employees.~~ The program

shall be designed to fulfill the same purposes as training under subdivisions 4b and 4c, but take into account factors unique to farming operations. These factors shall include but not be limited to the fact that many agricultural employees' primary language is Spanish and the fact that many chemicals used by agricultural employers are labeled under the Federal Insecticide, Fungicide, and Rodenticide Act. The commissioner shall complete implementation of this program by March 1, 1986.

Sec. 42. Minnesota Statutes 1986, section 214.141, is amended to read:

214.141 [ADVISORY COUNCIL; MEMBERSHIP.]

There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules pursuant to section 214.13. The commissioner shall determine the council's duties and shall establish procedures for its proper functioning, including, but not limited to, methods for selecting temporary members and methods of communicating recommendations and advice to the commissioner for consideration. The council shall consist of no more than 15 members. Thirteen members shall be appointed by the commissioner, one of whom the commissioner shall designate as chair. The members shall be selected as follows: four members shall represent currently licensed or registered human services occupations; two members shall represent human services occupations which are not currently registered; two members shall represent licensed health care facilities, which can include a health maintenance organization as defined in section 62D.02; one member shall represent the higher education coordinating board; one member shall represent the state planning agency; one member shall represent a third party payor to health care costs; and two members shall be public members as defined by section 214.02.

In cases in which the council has been charged by the commissioner to evaluate an application submitted under the provisions of section 214.13, the commissioner may appoint to the council as temporary voting members, for the purpose of evaluating that application alone, one or two representatives from among the appropriate licensed or registered human services occupations or from among the state agencies that have been identified under section 214.13, subdivision 2. In determining whether a temporary voting member or members should be appointed and which human services occupations or state agencies should be represented by temporary voting members, the commissioner shall attempt to systematically involve those who would be most directly affected by a decision to credential a particular applicant group and who are not already represented on the council. The terms of temporary voting members shall not exceed 12 months. The terms of the other council members, and the compensation and removal of all members, and the expiration of the council shall be as provided in section 15.059.

Sec. 43. Minnesota Statutes 1987 Supplement, section 245.697, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state advisory council on mental health is created. The council must have 25 members appointed by the governor in accordance with federal requirements. The council must be composed of:

(1) the assistant commissioner of mental health for the department of human services;

(2) a representative of the department of human services responsible for the medical assistance program;

(3) one member of each of the four core mental health professional disciplines (psychiatry, psychology, social work, nursing);

(4) one representative from each of the following advocacy groups: mental health association of Minnesota, Minnesota alliance for the mentally ill, and Minnesota mental health law project;

(5) providers of mental health services;

(6) consumers of mental health services;

(7) family members of persons with mental illnesses;

(8) legislators;

(9) social service agency directors;

(10) county commissioners; and

(11) other members reflecting a broad range of community interests, as the United States secretary of health and human services may prescribe by regulation or as may be selected by the governor.

Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059, except that members shall not receive a per diem. The council ~~does not expire~~ expires as provided in section 15.059.

Sec. 44. Minnesota Statutes 1987 Supplement, section 245.97, subdivision 6, is amended to read:

Subd. 6. [TERMS, COMPENSATION, AND REMOVAL AND EXPIRATION.] The membership terms, compensation, and removal of members of the committee and the filling of membership vacancies are governed by section 15.0575. The ombudsman committee

and the medical review subcommittee expire as provided in section 15.059, subdivision 5.

Sec. 45. Minnesota Statutes 1987 Supplement, section 246.56, subdivision 2, is amended to read:

Subd. 2. [POWERS OF COMMISSIONER.] The work activity programs authorized herein shall be planned and designed exclusively to provide therapeutic activities for handicapped workers whose physical or mental impairment is so severe as to make productive capacity inconsequential. Notwithstanding section 177.24, the activities within this program shall conform to the rules and regulations relating to work activity centers promulgated by the United States Department of Labor. To accomplish the foregoing purpose the commissioner of human services shall have the power and authority to:

(a) use the diversified labor fund established by Laws 1945, chapter 575, section 19, to purchase equipment and remodel facilities of the state hospitals referred to in subdivision 1 to initiate the work activity program,

(b) formulate a system of records and accounts which shall at all times indicate the extent of purchases, sales, wages, and bidding practices and which shall be open to public inspection.

The commissioner of human services shall, subject to the approval of the commissioner of education, have the power and authority to:

(a) create a work activity center revolving fund for the purpose of receiving and expending money in the operation of the said programs,

(b) contract with public and private industries for the manufacture, repair, or assembling of work according to standard bidding practices,

(c) use the revenue from the operation of said programs to pay wages to patients or residents according to their productivity, purchase equipment and supplies and pay other expenses necessary to the operation of the said programs,

(d) establish an advisory ~~committee~~ task force consisting of representatives from the departments of health, jobs and training, and human services, labor and business groups, interested community agencies, including but not limited to the Minnesota association of rehabilitation facilities, the Minnesota association for retarded children, and the Minnesota association for mental health, and the general public. This ~~committee~~ task force will act in an advisory capacity with respect to the scope of work activity pro-

grams, the nature of the goods to be produced and services to be performed in such programs. The task force expires as provided in section 15.059, subdivision 5.

(e) utilize all available vocational rehabilitation services and encourage the integration of the work activity program into existing vocational rehabilitation and community based programs, so that the work activity program will neither duplicate nor unfairly compete with existing public or private community programs.

Sec. 46. Minnesota Statutes 1986, section 248.10, subdivision 2, is amended to read:

Subd. 2. [~~REMOVAL; VACANCIES; EXPIRATION.~~] The compensation, removal of members, and filling of vacancies on the council are as provided in section 15.0575. The council expires as provided in section 15.059, subdivision 5.

Sec. 47. Minnesota Statutes 1986, section 254A.035, subdivision 2, is amended to read:

Subd. 2. [~~MEMBERSHIP TERMS, COMPENSATION, REMOVAL AND EXPIRATION.~~] The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian advisory council members and expiration of the council shall be as provided in section 15.059.

Sec. 48. Minnesota Statutes 1987 Supplement, section 256.482, subdivision 1, is amended to read:

Subdivision 1. [~~ESTABLISHMENT; MEMBERS.~~] There is hereby established the council on disability which shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations which provide services for persons who have a disability. A majority of council members shall be persons with a disability or parents or guardians of persons with a disability. There shall be at least one member of the council appointed from each of the state development regions.

The commissioners of the departments of education, human services, health, jobs and training, and human rights and the directors of the division of rehabilitation services and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, the council may appoint ex officio members from other bureaus, divisions, or sections of state departments which are directly concerned with the provision of services to persons with a disability.

Notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until a successor is appointed and qualified. The compensation and removal of all members shall be as provided in section 15.059. The governor shall appoint a chair of the council from among the members appointed from the general public or who are persons with a disability or their parents or guardians. Vacancies shall be filled by the appointing authority for the remainder of the unexpired term. The council ~~shall not expire~~ expires as provided in section 15.059.

Sec. 49. Minnesota Statutes 1987 Supplement, section 256.73, subdivision 7, is amended to read:

Subd. 7. [VERIFICATION PROCEDURES.] The commissioner shall form an advisory committee of local agency representatives, state officials, and recipients to recommend and implement ways to reduce verification procedures at the local level. The goal of this effort is to treat clients with dignity and expect client honesty. Verification procedures should be reduced to a minimum at the time of application and increased only as needed. The committee expires as provided in section 15.059, subdivision 5.

Sec. 50. Minnesota Statutes 1987 Supplement, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. The determination of services not medically necessary ~~shall~~ may be made by the commissioner in consultation with a peer advisory committee task force appointed by the commissioner on the recommendation of appropriate professional organizations. The task force expires as provided in section 15.059, subdivision 5.

Sec. 51. Minnesota Statutes 1987 Supplement, section 256B.27, subdivision 3, is amended to read:

Subd. 3. The commissioner of human services, with the written consent of the recipient, on file with the local welfare agency, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which is duplicative, erroneous, or false in whole or in part, or which results in the vendor obtaining greater compensation than the vendor is legally entitled to; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of provision of services not medically necessary shall be made by the commissioner ~~in consultation~~. ~~The commissioner may consult with an advisory committee task force of vendors as appointed by the commissioner may appoint,~~ on the recommendation of appropriate professional organizations. ~~The task force expires as provided in section 15.059, subdivision 6.~~ Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of human services pursuant to this section.

Sec. 52. Minnesota Statutes 1987 Supplement, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 or to a nursing home pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity justification, as determined by the commissioner, in consultation with an advisory ~~committee task force~~ that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior autho-

rization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program.

Sec. 53. Minnesota Statutes 1987 Supplement, section 256B.433, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall convene an advisory ~~committee~~ task force consisting of nursing home consumers, therapists from each discipline, and representatives of the nursing home industry. The commissioner, in consultation with the advisory committee, shall study alternative methods of payment for therapy services provided to nursing home residents and report to the legislature by February 1, 1989. The task force expires as provided in section 15.059, subdivision 6.

Sec. 54. Minnesota Statutes 1986, section 256C.28, subdivision 2, is amended to read:

Subd. 2. [REMOVAL; VACANCIES; EXPIRATION.] The compensation, removal of members, and filling of vacancies on the council are as provided in section 15.0575. The council expires as provided in section 15.059, subdivision 5.

Sec. 55. Minnesota Statutes 1987 Supplement, section 299A.23, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] An advisory council of 15 members is established under section 15.059. The commissioners of human services, health, education, and corrections shall each appoint one member. The subcommittee on committees of the senate and the speaker of the house of representatives shall each appoint two members of their respective bodies, one from each caucus. The governor shall appoint an additional seven members who shall demonstrate knowledge in the area of child abuse and shall represent the demographic and geographic composition of the state, and to the extent possible, represent the following groups: local government, parents, racial and ethnic minority communities, the religious community, professional providers of child abuse prevention and treatment services, and volunteers in child abuse prevention and treatment services. The council shall advise and assist the commissioner in carrying out sections 299A.20 to 299A.26. The council ~~does not expire~~ expires as provided by section 15.059, subdivision 5.

Sec. 56. Minnesota Statutes 1986, section 299F.097, is amended to read:

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 299F.091 to 299F.099 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, expire, and be compensated in the manner provided in section 15.059, and shall serve at the pleasure of the commissioner.

Sec. 57. Minnesota Statutes 1987 Supplement, section 299J.06, subdivision 4, is amended to read:

Subd. 4. [TERMS; COMPENSATION; REMOVAL.] The terms, compensation, and removal of members are governed by section 15.0575. The council expires as provided in section 15.059, subdivision 5.

Sec. 58. Minnesota Statutes 1986, section 611A.34, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] Within 60 days after the effective date of sections 611A.31 to 611A.36, the commissioner shall appoint a nine member advisory council to advise the commissioner on the implementation of sections 611A.31 to 611A.36. The provisions of section 15.059 shall govern the terms and, removal of members, and expiration of the advisory council. Notwithstanding section 15.059, the council shall not expire. Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.

Sec. 59. Minnesota Statutes 1986, section 611A.71, is amended by adding a subdivision to read:

Subd. 7. [EXPIRATION.] The council expires as provided in section 15.059, subdivision 5.

Sec. 60. [TASK FORCE ON GENETICALLY ENGINEERED ORGANISMS.]

Subdivision 1. [TASK FORCE MEMBERSHIP.] A task force on

genetically engineered organisms is created, to be appointed by the environmental quality board and with membership consisting of:

(1) two representatives of the scientific community who have expertise in the techniques and applications of genetic engineering and one representative of the biotechnological industry;

(2) a representative of the department of health whose work involves expertise in environmental health issues;

(3) a representative of the department of agriculture whose work involves expertise in animal health or pesticide issues;

(4) a representative of the pollution control agency;

(5) a representative of the department of natural resources;

(6) a representative of the department of trade and economic development;

(7) a member of the environmental quality board;

(8) a person who has a background in environmental protection;

(9) a representative of a farming organization who has a background in agriculture;

(10) a representative of a food organization who has a background in nutrition;

(11) a person with demonstrated expertise in microbiology;

(12) a person with demonstrated expertise in epidemiology; and

(13) a person with demonstrated expertise in biological sciences.

The members shall serve without compensation.

Subd. 2. [CHAIR.] The environmental quality board shall appoint the chair of the task force, who is responsible for convening meetings of the task force.

Subd. 3. [STAFF.] The board must provide administrative and staff assistance to the task force upon request.

Sec. 61. [POWERS AND DUTIES.]

Subdivision 1. [STUDY ISSUES.] The task force shall study:

(1) existing United States; international, including Canada, Germany, and Japan; other state and Minnesota laws and regulations governing the release of genetically engineered organisms to determine their adequacy in governing the release of genetically engineered organisms;

(2) whether additional state laws or local government regulations are necessary to govern the release of genetically engineered organisms; and

(3) any additional issues surrounding the release of genetically engineered organisms that the task force believes are necessary to address.

Subd. 2. [REPORT.] The task force shall issue a report with recommendations, including any recommendations for legislation, to the governor and the legislature by January 1, 1989. Copies of the report must be available to the general public.

Sec. 62. [REPEALER.]

Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; and 326.66 are repealed. Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2, is repealed. Sections 60 and 61 are repealed July 1, 1989.

Sec. 63. [EFFECTIVE DATE.]

Sections 1 to 59 and 62 are effective June 30, 1988. Sections 60 and 61 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; creating a task force to study certain issues relating to genetic engineering; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9223, subdivision 1; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 121.901, subdivision 2; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivisions 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision

1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 2286, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 36, reinstate the stricken "reasonable" and delete "the actual"

Page 3, line 20, delete "its actual" and insert "reasonable"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, G., from the Committee on Appropriations to which was referred:

S. F. No. 2456, A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [ENERGY POLICY FOR LOW-INCOME MINNESOTANS ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] There is a task force on energy policy for low-income Minnesotans consisting of five members of the Minnesota house of representatives appointed by the speaker of the house and five members of the Minnesota senate appointed by the majority leader. At least two of the members appointed by the speaker and two of the members appointed by the majority leader must be from the minority caucus.

Subd. 2. [CHAIR; OTHER OFFICERS.] The task force shall elect a chair of the task force from its members. The task force may elect other officers as necessary from its members.

Subd. 3. [STAFF.] The task force shall use legislative staff to carry out its duties.

Sec. 2. [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The task force shall study the energy needs of low-income Minnesotans. The task force shall review the efficiency, coordination, and effectiveness of existing programs that assist low-income Minnesotans in meeting their energy needs. The task force shall examine, but is not limited to, the following subjects: the low-income home energy assistance program; the department of energy weatherization program; programs funded by the conservation improvement program; and the state energy housing code. The task force shall examine the federal commitment to these programs, the role of oil overcharge funds in continuing these programs, and what the state role is in relation to these programs. The task force shall develop a policy on the energy needs of low-income Minnesotans and develop strategies for implementing this policy.

Subd. 2. [LEGISLATIVE REPORT.] The task force shall submit a report on its findings to the governor and legislature by January 15, 1989. The report must include a review of existing low-income energy-related programs, a proposed state energy policy for low-income Minnesotans, recommendations concerning state support for low-income energy-related programs, and strategies for implementing the policy.

Sec. 3. [REPEALER.]

Sections 1 and 2 are repealed May 1, 1989.”

Delete the title and insert:

“A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1750, 1951, 1981, 2031, 2182, 2291, 2536 and 2613 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1121, 2003, 2226, 2286 and 2456 were read for the second time.

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. 2252, A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2629, A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2020, A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 2508, A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

H. F. No. 1971, A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.

H. F. No. 1659, A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2402, A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses;

amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2358, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2559, A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1710, A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

PATRICK E. FLAHAVERN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House Files, herewith returned:

H. F. No. 1189, A resolution memorializing the United States Congress to amend the Employment Retirement Security Act to permit the direct regulation of self-insured health care plans.

H. F. No. 1913, A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 2703, A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

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. 2126, A bill for an act relating to the organization and operation of state government; appropriating money for human resources and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding subdivisions; 144.125; 144A.04, by adding a subdivision; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023; 248.07, subdivision 7 and 12; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F.03, subdivision 8; 257.071, subdivisions 2 and 3, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.911, subdivision 3; 326.371; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 16B.61, subdivision 3; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivisions 5, 6,

and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, and 5, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, 7, and 8; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 245A.09, by adding a subdivision; 248.07, subdivision 8; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivision 4; 256B.433, subdivision 1; 256B.501, subdivision 1; 256B.73, subdivision 2, and by adding a subdivision; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; 393.07, subdivision 10, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, article 2, section 34; Laws 1987, chapter 403, article 4, section 13; Laws 1987, chapter 403, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 152A; 157; 179A; 245; 246; 252; 256; 256B; 256H; 257; and 268; repealing Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; and 257.071, subdivision 6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, G., moved that the House refuse to concur in the Senate amendments to H. F. No. 2126, 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 that the Senate refuses to concur in the House amendments to Senate File No. 2565:

S. F. No. 2565, A bill for an act relating to the organization and operation of state government; appropriating money for the depart-

ment of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Langseth, Mehrkens, Wegscheid, Metzen and Purfeerst.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVER, Secretary of the Senate

Anderson, G., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2565. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1861:

S. F. No. 1861, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Pehler, Ms. Berglin and Mr. Brandl.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVER, Secretary of the Senate

Nelson, C., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3

members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1861. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1795:

Ogren, Cooper and Sviggum.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1980:

Kalis, Bishop and Kludt.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1861:

Nelson, C.; Wynia and Anderson, R.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. No. 2344.

H. F. No. 2344 was reported to the House.

The Speaker called Long to the Chair.

Burger, Shaver and Morrison moved to amend H. F. No. 2344, the first engrossment, as follows:

Page 18, line 22, delete "without" and insert "with"

Page 19, delete lines 3, 4 and 5.

A roll call was requested and properly seconded.

The question was taken on the Burger et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 54 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Johnson, V.	Omann	Shaver
Begich	Frederick	Kelso	Onnen	Sparby
Bennett	Frerichs	Knickerbocker	Ozment	Stanius
Blatz	Gruenes	Marsh	Pauly	Sviggum
Boo	Gutknecht	McDonald	Poppenhagen	Swenson
Burger	Hartle	McPherson	Quist	Thiede
Clausnitzer	Haukoos	Miller	Redalen	Tjornhom
Cooper	Heap	Morrison	Richter	Tompkins
Dempsey	Himle	Neuenschwander	Rose	Valento
DeRaad	Hugoson	Olsen, S.	Schafer	Waltman
Dille	Jennings	Olson, K.	Schreiber	

Those who voted in the negative were:

Anderson, G.	Jefferson	Long	Otis	Skoglund
Battaglia	Jensen	McEachern	Pappas	Solberg
Beard	Johnson, A.	McLaughlin	Pelowski	Steensma
Bertram	Johnson, R.	Minne	Peterson	Trimble
Brown	Kahn	Munger	Price	Tunheim
Carlson, L.	Kalis	Murphy	Quinn	Vellenga
Carruthers	Kelly	Nelson, C.	Reding	Voss
Clark	Kludt	Nelson, D.	Rest	Wagenius
Dawkins	Knuth	Nelson, K.	Riveness	Welle
DeBlieck	Kostohryz	O'Connor	Rodosovich	Wenzel
Dorn	Krueger	Ogren	Rukavina	Winter
Greenfield	Larsen	Olson, E.	Sarna	Wynia
Jacobs	Lasley	Orenstein	Scheid	Spk. Vanasek
Jaros	Lieder	Osthoff	Segal	

The motion did not prevail and the amendment was not adopted.

Kahn moved to amend H. F. No. 2344, the first engrossment, as follows:

Page 42, after line 39, insert:

"Section 22 is effective October 1, 1988."

Page 42, line 45, delete "22,"

The motion prevailed and the amendment was adopted.

Bishop moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 34, delete lines 4 to 16 and insert:

"Subd. 6. [RECORDING OF AFFIDAVIT.] Before a transfer of ownership of property that the owner knew or should have known contains or contained an underground storage tank, the owner shall

record with the county recorder of the county in which the property is located an affidavit containing:

(1) a legal description of the property where the tank is or was located;

(2) a description of the tank, of the location of the tank, and of any known release from the tank of a regulated substance; and

(3) a description of any restrictions currently in force on the use of the property resulting from any release.”

Page 34, delete lines 26 to 33 and insert:

“Subd. 8. [TRANSFER OF PROPERTY REQUIREMENTS.] Before any transfer of ownership of property that the owner knew or should have known contains or contained an underground storage tank, the owner shall deliver to the purchaser a copy of the affidavit required under subdivision 6 with current information.”

Page 42, line 45, delete “43, 44” and insert “45, 46, 47”

The motion prevailed and the amendment was adopted.

Skoglund; Dille; Wagenius; Nelson, D.; Osthoff; Knickerbocker; Johnson, A.; DeRaad; McDonald; Munger; Segal; Pappas; Nelson, K.; Onnen; Rest; Scheid; Rodosovich; Riveness; Larsen; Rice; Himle; Price; Vellenga; Carlson, L.; Jaros; Lasley; Clark; Orenstein; Stanius; Bishop; Rose; Lieder; Carlson, D.; Carruthers; Voss; Kahn; Olsen, S.; Wynia; Tompkins; Marsh; Milbert; Trimble; McLaughlin; Greenfield; Long and Krueger moved to amend H. F. No. 2344, the first grossment, as amended, as follows:

Page 26, after line 25, insert:

“Sec. 34. Minnesota Statutes 1986, section 16B.24, is amended by adding a subdivision to read:

Subd. 9. [SMOKING IN STATE BUILDINGS.] To protect the public health, comfort, and environment and to protect the nonsmoker’s right to a smoke-free environment, smoking in all buildings managed or leased by the commissioner under subdivisions 1 and 6 shall be prohibited except in designated smoking areas that prevent passive smoking exposure. Smoking areas may be designated by managers and supervisors except in places in which smoking is prohibited by the fire marshal or by other law or ordinance.

Where smoking areas are designated, existing physical barriers and ventilation systems shall be used to eliminate the presence of

smoke in physically related nonsmoking areas. Any lessor, lessee, manager, or supervisor in a state managed or state leased building with a designated smoking area shall in response to any complaint of smoke-induced discomfort by an employee take those steps required by section 144.416 for a public place. If due to the proximity of smokers, size of the place of work, poor ventilation, or other factors, these steps do not reduce the effects of smoke in an employee's place of work to the reasonable satisfaction of the affected employee, the lessor, lessee, manager, or supervisor shall implement other measures reasonably designed to minimize or eliminate the effects of smoke on the affected employee. These measures may include reassigning the employee to different places of work or further restricting or eliminating smoking in the place of work.

No employee complaining of a smoke-induced discomfort to a lessor, lessee, manager, or supervisor shall be identified or subjected to any disciplinary action as a result of making the complaint."

Page 42, line 42, delete "Section" and insert "Sections 34 and" and delete "is" and insert "are"

Correct internal references

Renumber the remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

McEachern offered an amendment to the Skoglund et al amendment to H. F. No. 2344, the first engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.9 that the McEachern amendment to the Skoglund et al amendment was not in order. Speaker pro tempore Long ruled the point of order well taken and the amendment to the amendment out of order.

POINT OF ORDER

McEachern raised a point of order pursuant to rule 3.9 that the Skoglund et al amendment was not in order. Speaker pro tempore Long ruled the point of order not well taken and the amendment in order.

The Speaker resumed the Chair.

Clausnitzer moved to amend the Skoglund et al amendment to H. F. No. 2344, the first engrossment, as amended, as follows:

Page 1, line 28, delete "Any"

Page 1, delete lines 29 to 36

Page 2, delete lines 1 to 9

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Skoglund et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 97 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Greenfield	Larsen	Orenstein	Seaberg
Battaglia	Gruenes	Lasley	Osthoff	Segal
Beard	Gutknecht	Lieder	Otis	Skoglund
Bennett	Hartle	Long	Ozment	Sparby
Bertram	Haukoos	Marsh	Pappas	Stanius
Bishop	Heap	McDonald	Pauly	Steenasma
Blatz	Himle	McKasy	Pelowski	Tjornhom
Burger	Hugoson	McLaughlin	Peterson	Tompkins
Carlson, D.	Jaros	McPherson	Poppenhagen	Trimble
Carlson, L.	Jennings	Morrison	Price	Tunheim
Carruthers	Jensen	Munger	Quist	Valento
Clark	Johnson, A.	Murphy	Reding	Vellenga
Dauner	Johnson, R.	Nelson, D.	Rest	Voss
Dawkins	Kahn	Nelson, K.	Rice	Wagenius
DeBlicke	Kalis	Neuenschwander	Richter	Welle
DeRaad	Kinkel	Ogren	Riveness	Winter
Dille	Kludt	Olsen, S.	Rodosovich	Wynia
Dorn	Knickerbocker	Olsen, E.	Rose	
Forsythe	Knuth	Olson, K.	Rukavina	
Frerichs	Krueger	Onnen	Scheid	

Those who voted in the negative were:

Anderson, R.	Frederick	Milbert	Redalen	Swenson
Begich	Jacobs	Miller	Sarna	Thiede
Boo	Johnson, V.	Minne	Schafer	Waltman
Brown	Kelly	Nelson, C.	Schreiber	Wenzel
Clausnitzer	Kelso	O'Connor	Shaver	Spk. Vanasek
Cooper	Kostohryz	Omann	Solberg	
Dempsey	McEachern	Quinn	Sviggum	

The motion prevailed and the amendment was adopted.

Miller moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 7, line 36, delete "\$6,628,000" and insert "\$5,606,000"

Page 7, line 38, delete "\$5,463,000" and insert "\$4,441,000"

Page 8, line 44, delete "\$5,050,000" and insert "\$4,028,000"

Page 16, line 5, delete "\$2,297,000" and insert "\$3,019,000"

Page 16, line 8, delete "\$722,000" and insert "\$1,444,000"

Page 16, line 10, delete "\$100" and insert "\$200"

Page 16, line 19, delete "\$200" and insert "\$400"

Page 18, line 5, delete "\$300,000" and insert "\$600,000"

Page 38, line 19, delete "ten" and insert "20"

Page 38, line 22, delete "\$1,000" and insert "\$2,000"

Page 42, line 44, delete "1987" and insert "1986"

A roll call was requested and properly seconded.

The question was taken on the Miller amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Beard	Carlson, D.	Dorn	Gutknecht	Hugoson
Bennett	Clausnitzer	Forsythe	Hartle	Jacobs
Bertram	DeBlieck	Frederick	Haukoos	Johnson, R.
Blatz	Dempsey	Frerichs	Heap	Johnson, V.
Burger	DeRaad	Gruenes	Himle	Knickerbocker

Marsh	Olsen, S.	Poppenhagen	Schafer	Thiede
McDonald	Olson, K.	Quinn	Schreiber	Tjornhom
McEachern	Omann	Quist	Seaberg	Tompkins
McKasy	Onnen	Redalen	Shaver	Valento
McPherson	Ozment	Richter	Stanius	Waltman
Miller	Pauly	Rose	Sviggum	Wenzel
O'Connor	Pelowski	Sarna	Swenson	

Those who voted in the negative were:

Anderson, G.	Jefferson	Larsen	Orenstein	Segal
Anderson, R.	Jennings	Lasley	Osthoff	Skoglund
Battaglia	Jensen	Lieder	Otis	Solberg
Bishop	Johnson, A.	Long	Pappas	Sparby
Boo	Kahn	McLaughlin	Peterson	Steensma
Carlson, L.	Kalis	Minne	Price	Trimble
Carruthers	Kelly	Munger	Reding	Tunheim
Clark	Kelso	Murphy	Rest	Vellenga
Cooper	Kinkel	Nelson, C.	Rice	Voss
Dauner	Kludd	Nelson, D.	Riveness	Wagenius
Dawkins	Knuth	Nelson, K.	Rodosovich	Welle
Greenfield	Kostohryz	Neuenschwander	Rukavina	Winter
Jaros	Krueger	Olson, E.	Scheid	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Stanius moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 36, after line 26, insert:

"Sec. 52. Minnesota Statutes 1987 Supplement, section 1160.03, is amended by adding a subdivision to read:

Subd. 10. [RECALL, RECONFIRMATION AND REPLACEMENT OF DIRECTORS.] The legislature may recall a member of the board of directors at any time by resolution. The resolution must give a reason for the recall. The resolution may originate in the house of representatives or the senate, but must pass both. Any director so recalled may be reappointed to serve on the board by the governor, subject to the advice and consent of the senate. Any vacancy on the board created by the recall of a member shall be filled by appointment of the governor, subject to the advice and consent of the senate."

A roll call was requested and properly seconded.

The question was taken on the Stanius amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Bennett	Hartle	Miller	Quinn	Sviggum
Blatz	Haukoos	Morrison	Quist	Swenson
Boo	Heap	O'Connor	Pedalen	Thiede
Burger	Hugoson	Ogren	Richter	Tjornhom
Clausnitzer	Johnson, V.	Olsen, S.	Rose	Tompkins
Dempsey	Knickerbocker	Olson, K.	Sarna	Valento
DeRaad	Marsh	Omann	Schafer	Waltman
Forsythe	McDonald	Omnen	Schreiber	
Frederick	McEachern	Ozment	Seaberg	
Frerichs	McKasy	Pauly	Shaver	
Gutknecht	McPherson	Poppenhagen	Stanius	

Those who voted in the negative were:

Anderson, G.	Dorn	Knuth	Olson, E.	Skoglund
Battaglia	Greenfield	Kostohryz	Orenstein	Solberg
Beard	Gruenes	Krueger	Osthoff	Sparby
Begich	Jacobs	Larsen	Otis	Steensma
Bertram	Jaros	Lasley	Pappas	Trimble
Bishop	Jefferson	Lieder	Pelowski	Tunheim
Brown	Jennings	Long	Peterson	Vellenga
Carlson, D.	Jensen	McLaughlin	Price	Voss
Carlson, L.	Johnson, A.	Milbert	Reding	Wagenius
Carruthers	Johnson, R.	Minne	Rest	Welle
Clark	Kahn	Munger	Rice	Wenzel
Cooper	Kalis	Murphy	Riveness	Winter
Dauner	Kelly	Nelson, C.	Rodosovich	Wynia
Dawkins	Kelso	Nelson, D.	Rukavina	Spk. Vanasek
DeBlick	Kinkel	Nelson, K.	Scheid	
Dille	Kludt	Neuenschwander	Segal	

The motion did not prevail and the amendment was not adopted.

Thiede moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 19, line 5, insert:

“Subd. 6. [REALLOCATION.] \$600,000 of the money appropriated to the commissioner of trade and economic development by Laws 1987, chapter 400, section 8, subdivision 2, paragraph (b), for the acquisition and betterment of land on Lake Minnetonka for a regional park, is reappropriated to the commissioner of natural resources and the appropriation of this amount to the commissioner of trade and economic development is cancelled. The appropriation to the commissioner of natural resources must be used for the purchase of 32 miles of the abandoned Burlington Northern Railroad right-of-way between Baxter and Bemidji, to be designated the Paul Bunyan Trail, and described as originating in the city of Baxter in Crow Wing county and extending in a northerly direction along the Burlington Northern right-of-way, intersecting the Heartland State Trail southeast of the city of Walker in Cass county. The

trail shall continue on the Heartland State Trail through the city of Walker, then in a northwesterly direction along the Burlington Northern Railroad right-of-way to the city of Bemidji in Beltrami county and there terminate."

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 2, line 5, delete "\$12,848,800" and insert "\$12,418,500"

Page 2, line 5, delete "\$13,571,000" and insert "\$13,140,700"

Page 2, line 16, delete "\$15,062,700" and insert "\$14,632,400"

Page 2, line 16, delete "\$16,729,100" and insert "\$16,298,800"

Page 15, line 4, delete "\$430,300"

Page 15, delete lines 5 to 15

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 43 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Hugoson	Quist	Sviggum
Bertram	Frederick	McDonald	Redalen	Swenson
Blatz	Frerichs	McPherson	Richter	Thiede
Boo	Gruenes	Morrison	Rose	Tjornhom
Burger	Gutknecht	Olsen, S.	Schafer	Tompkins
Clausnitzer	Hartle	Omann	Schreiber	Valento
Dauner	Haukoos	Onnen	Seaberg	Waltman
Dempsey	Heap	Ozment	Shaver	
DeRaad	Himle	Pauly	Stanius	

Those who voted in the negative were:

Anderson, G.	Bishop	Cooper	Greenfield	Jensen
Anderson, R.	Brown	Dawkins	Jacobs	Johnson, A.
Battaglia	Carlson, L.	DeBlieck	Jaros	Johnson, R.
Beard	Carruthers	Dille	Jefferson	Kahn
Begich	Clark	Dorn	Jennings	Kalis

Kelly	Marsh	Ogren	Rest	Tunheim
Kelso	McKasy	Olson, E.	Rice	Vellenga
Kinkel	McLaughlin	Olson, K.	Riveness	Voss
Kludt	Milbert	Orenstein	Rodosovich	Wagenius
Knickerbocker	Miller	Osthoff	Rukavina	Welle
Knuth	Minne	Otis	Scheid	Wenzel
Kostohryz	Munger	Pappas	Segal	Winter
Krueger	Murphy	Pelowski	Skoglund	Wynia
Larsen	Nelson, C.	Peterson	Solberg	Spk. Vanasek
Lasley	Nelson, D.	Price	Sparby	
Lieder	Nelson, K.	Quinn	Steensma	
Long	Neuenschwander	Reding	Trimble	

The motion did not prevail and the amendment was not adopted.

Dille, Kahn, Miller and Welle moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 38, line 23, delete "February" and insert "July"

Page 38, line 27, delete "March" and insert "September"

Page 42, line 44, delete "1987" and insert "1986"

The motion prevailed and the amendment was adopted.

Nelson, K., moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 4, line 24, delete "reporting requirements to the"

Page 4, delete line 25 and insert "the reporting requirements of section 121.936, subdivision 1 and the data standards of section 121.932, subdivision 5 must be"

The motion prevailed and the amendment was adopted.

Redalen and Poppenhagen moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 2, line 33, delete "\$100,000" and insert "\$150,000"

Page 3, after line 14, insert:

"The office of the legislative auditor program evaluation division shall conduct an evaluation of the Minnesota Department of Agriculture's commissioner's office. The study shall include, but not be limited to, the uses to which federal, state, and donated funds under the control of the commissioner are being applied, and an evaluation as to whether the activities funded by the commissioner's office are in compliance with the commissioner's statutory directives. The auditor shall prepare a report for presentation to the legislature by January 1, 1989, indicating its findings, observations, and recommendations relative to the appropriateness of each activity funded through the commissioner's office."

Page 15, line 4, delete "\$430,300" and insert "\$430,250"

The motion did not prevail and the amendment was not adopted.

Kinkel moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 17, after line 14, insert:

"Tuition reimbursement received under this section shall not be considered by the Minnesota higher education coordinating board or by any other state board, commission, or entity in determining a person's eligibility for a scholarship or grant-in-aid under sections 136A.09 to 136A.132."

The motion prevailed and the amendment was adopted.

Clausnitzer moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 37, line 17, after the period insert "The corporation shall not take an equity position in any proprietorship, business or organization."

A roll call was requested and properly seconded.

The question was taken on the Clausnitzer amendment and the roll was called.

Otis moved that those not voting be excused from voting. The motion prevailed.

There were 51 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Bennett	Gruenes	Marsh	Poppenhagen	Swenson
Blatz	Gutknecht	McDonald	Quist	Thiede
Boo	Hartle	McKasy	Redalen	Tjornhom
Burger	Haukoos	McPherson	Richter	Tompkins
Carlson, D.	Heap	Milbert	Rose	Valento
Carruthers	Himle	Miller	Schafer	Voss
Clausnitzer	Hugoson	Morrison	Schreiber	Waltman
Dempsey	Jacobs	Olsen, S.	Seaberg	
DeRaad	Jennings	Omann	Shaver	
Frederick	Johnson, V.	Onnen	Stanius	
Frerichs	Knickerbocker	Pauly	Sviggum	

Those who voted in the negative were:

Anderson, G.	Greenfield	Larsen	Olson, E.	Scheid
Anderson, R.	Jaros	Lasley	Olson, K.	Segal
Battaglia	Jefferson	Lieder	Orenstein	Skoglund
Begich	Jensen	Long	Osthoff	Solberg
Bertram	Johnson, A.	McEachern	Otis	Sparby
Bishop	Johnson, R.	McLaughlin	Pelowski	Steensma
Brown	Kahn	Minne	Peterson	Trimble
Carlson, L.	Kalis	Munger	Price	Tunheim
Clark	Kelly	Murphy	Reding	Vellenga
Cooper	Kelso	Nelson, C.	Rest	Wagenius
Dauner	Kinkel	Nelson, D.	Rice	Welle
Dawkins	Kludt	Nelson, K.	Riveness	Wenzel
DeBlicck	Knuth	Neuenschwander	Rodosovich	Winter
Dille	Kostohryz	O'Connor	Rukavina	Wynia
Dorn	Krueger	Ogren	Sarna	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Miller moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 10, line 35, delete "\$1,400,000" and insert "\$378,000"

Page 10, line 44, delete "\$1,200,000" and insert "\$178,000"

Page 16, line 5, delete "\$2,297,000" and insert "\$3,019,000"

Page 16, line 8, delete "\$722,000" and insert "\$1,444,000"

Page 16, line 10, delete "\$100" and insert "\$200"

Page 16, line 19, delete "\$200" and insert "\$400"

Page 18, line 5, delete "\$300,000" and insert "\$600,000"

Page 38, line 19, delete "ten" and insert "20"

Page 38, line 22, delete "\$1,000" and insert "\$2,000"

A roll call was requested and properly seconded.

The question was taken on the Miller amendment and the roll was called.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Marsh	Poppenhagen	Shaver
Beard	Forsythe	McDonald	Quinn	Stanius
Bennett	Frederick	McEachern	Quist	Steensma
Carlson, D.	Frerichs	McKasy	Redalen	Sviggum
Clausnitzer	Gruenes	McPherson	Richter	Swenson
DeBlieck	Haukoos	Miller	Rose	Thiede
Dempsey	Hugoson	O'Connor	Sarna	Tjornhom
DeRaad	Jacobs	Omann	Schafer	Valento
Dille	Johnson, V.	Pauly	Schreiber	Waltman
				Wenzel

Those who voted in the negative were:

Anderson, G.	Himle	Krueger	Olson, E.	Seaberg
Battaglia	Jaros	Larsen	Olson, K.	Segal
Begich	Jefferson	Lasley	Orenstein	Skoglund
Bertram	Jennings	Lieder	Osthoff	Solberg
Bishop	Jensen	Long	Otis	Sparby
Blatz	Johnson, A.	McLaughlin	Pappas	Trimble
Brown	Johnson, R.	Milbert	Pelowski	Tunheim
Burger	Kahn	Minne	Peterson	Vellenga
Carlson, L.	Kalis	Munger	Price	Voss
Carruthers	Kelly	Murphy	Reding	Wagenius
Clark	Kelso	Nelson, C.	Rest	Welle
Cooper	Kinkel	Nelson, D.	Rice	Winter
Dauner	Kludt	Nelson, K.	Riveness	Wynia
Dawkins	Knickerbocker	Neuenschwander	Rodosovich	Spk. Vanasek
Greenfield	Knuth	Ogren	Rukavina	
Heap	Kostohryz	Olsen, S.	Scheid	

The motion did not prevail and the amendment was not adopted.

Carlson, D., moved to amend H. F. No. 2344, the first engrossment, as amended, as follows:

Page 8, delete lines 44 to 63

Page 9, delete line 1

Adjust the numbers accordingly

A roll call was requested and properly seconded.

The question was taken on the Carlson, D., amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 49 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Bennett	Forsythe	Jacobs	Miller	Sarna
Blatz	Frederick	Johnson, V.	O'Connor	Schafer
Burger	Frerichs	Kelly	Olsen, S.	Sparby
Carlson, D.	Gruenes	Knickerbocker	Omann	Stanius
Clark	Gutknecht	Marsh	Onnen	Sviggum
Clausnitzer	Hartle	McDonald	Pauly	Thiede
DeBlick	Haukoos	McEachern	Poppenhagen	Tjornhom
Dempsey	Heap	McKasy	Redalen	Valento
DeRaad	Himle	McLaughlin	Richter	Waltman
Dille	Hugoson	McPherson	Rose	

Those who voted in the negative were:

Anderson, G.	Jefferson	Lieder	Pelowski	Skoglund
Anderson, R.	Jennings	Long	Peterson	Solberg
Battaglia	Jensen	Milbert	Price	Steensma
Beard	Johnson, A.	Morrison	Quinn	Swenson
Begich	Johnson, R.	Munger	Quist	Trimble
Bertram	Kahn	Murphy	Reding	Tunheim
Bishop	Kalis	Nelson, D.	Rest	Vellenga
Boo	Kelso	Nelson, K.	Rice	Voss
Brown	Kinkel	Neuenschwander	Riveness	Wagenius
Carlson, L.	Kludt	Ogren	Rodosovich	Welle
Carruthers	Knuth	Olson, E.	Rukavina	Wenzel
Cooper	Kostohryz	Olson, K.	Scheid	Winter
Dauner	Krueger	Orenstein	Schreiber	Wynia
Dawkins	Larsen	Osthoft	Segal	Spk. Vanasek
Dorn	Lasley	Otis	Shaver	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2344, A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and

reports; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 16B.24, by adding a subdivision; 88.22, by adding a subdivision; 89.001, by adding a subdivision; 89.19; 116.48, by adding subdivisions; 116J.615, by adding a subdivision; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; 3.885; 85.055, subdivision 1; 105.44, subdivision 10; 115C.02, subdivision 13; 116C.712, subdivision 5; 116J.941, subdivision 1; 116O.03, subdivision 2; 116O.04, subdivision 1; 116O.06, subdivision 1; and 480.241, subdivision 2; Laws 1985, First Special Session chapter 15, section 4, subdivision 5; Laws 1987, chapter 357, section 27, subdivision 2; Laws 1987, chapter 404, sections 20, subdivision 6; and 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 89; 115C; 424A; and 446A; repealing Minnesota Statutes 1987 Supplement, section 161.52.

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.

Krueger moved that those not voting be excused from voting. The motion prevailed.

There were 84 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Larsen	Omamm	Segal
Anderson, R.	Greenfield	Lasley	Orenstein	Skoglund
Battaglia	Jacobs	Lieder	Osthoff	Solberg
Beard	Jefferson	Long	Otis	Sparby
Begich	Jemmings	McKasy	Pappas	Steenasma
Bertram	Jensen	McLaughlin	Pelowski	Tompkins
Bishop	Johnson, A.	Milbert	Peterson	Trimble
Boo	Johnson, R.	Minne	Price	Tunheim
Brown	Kahn	Munger	Redalen	Vellenga
Carlson, L.	Kalis	Murphy	Reding	Voss
Carruthers	Kelly	Nelson, C.	Rest	Wagenius
Clark	Kelso	Nelson, D.	Rice	Welle
Cooper	Kimkel	Nelson, K.	Riveness	Wenzel
Dauner	Kludt	Neuenschwander	Rodosovich	Winter
Dawkins	Knuth	Ogren	Rukavina	Wynia
DeBlieck	Kostohryz	Olson, E.	Sarna	Spk. Vanasek
Dille	Krueger	Olson, K.	Scheid	

Those who voted in the negative were:

Bennett	Dempsey	Gruenes	Himle	Marsh
Blatz	DeRaad	Gutknecht	Hugoson	McDonald
Burger	Forsythe	Hartle	Jaros	McEachern
Carlson, D.	Frederick	Haukoos	Johnson, V.	McPherson
Clausnitzer	Frerichs	Heap	Knickerbocker	Miller

Morrison	Pauly	Rose	Shaver	Thiede
O'Connor	Poppenhagen	Schafer	Stanius	Tjornhom
Olsen, S.	Quist	Schreiber	Svigum	Valento
Onnen	Richter	Seaberg	Swenson	Waltman

The bill was passed, as amended, and its title agreed to.

Bertram and Morrison were excused for the remainder of today's session.

There being no objection, the order of business reverted to Messages from the Senate.

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. 2569.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2569, A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

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, Anderson, G., moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2569 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Anderson, G., moved that the Rules of the House be so far suspended that S. F. No. 2569 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2569 was read for the second time.

Anderson, G., moved to amend S. F. No. 2569, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS.]

The amounts in the columns under “APPROPRIATIONS” are appropriated from the general fund, or other named fund to the agencies for the purposes specified in this act. The appropriations are available for the fiscal years indicated for each purpose. The figure “1988” or “1989,” when used to refer to the fiscal year of appropriations, means that the appropriations listed under the figure are available for the fiscal year ending June 30, 1988, or June 30, 1989, respectively.

	SUMMARY BY FUND		
	1988	1989	TOTAL
GENERAL	5,700,000	20,556,300	26,256,300

Summary by Agency—All Funds

Higher Education Coordinating Board	5,700,000	2,557,700	8,257,700
State Board of Vocational Technical Education	-	3,719,200	3,719,200
State Board for Community Colleges	-	6,237,100	6,237,100

SUMMARY BY FUND

State University Board		
-	7,874,800	7,874,800
Regents of the University of Minnesota		
-	167,500	167,500

APPROPRIATIONS
Available for the Fiscal Year
Ending June 30

1988 1989

Sec. 2. HIGHER EDUCATION
COORDINATING BOARD

Subdivision 1. State Scholarships and Grants	5,700,000	2,100,000
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This appropriation is added to the appropriation for the same purpose in Laws 1987, chapter 401, section 2, subdivision 3.

This appropriation is for a projected deficiency in the program in both fiscal years. The legislature intends that the board make full scholarship and grant awards in fiscal year 1989. The HECB should seek a deficiency appropriation in 1989 if the fiscal year 1989 funds are insufficient to make full awards.

During the biennium, the HECB may transfer funds among the accounts provided in Laws 1987, chapter 401, section 2, if there is a projected balance in an account. Before the transfer, the HECB shall consult with the chairs of the education divisions of the appropriations and finance committees.

During the biennium, the HECB may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The HECB must first certify to the commissioner that there will be adequate refunds to the account to

1988

1989

repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Funds necessary to meet cash flow difficulties in the state scholarship and grant program are appropriated to the commissioner of finance for loans to HECB.

Subd. 2. Other Appropriations

(a) Job Skills Partnership

70,000

This appropriation is for the administration of outstanding grants awarded by the Job Skills Partnership. The legislature intends that no grants be awarded after June 30, 1988. The HECB shall conduct a program audit and report the results to the education divisions of the appropriations and finance committees by January 15, 1989.

(b) Study of Metropolitan Higher Education Needs

200,000

This appropriation is for the HECB to contract for a study on the short and long term post-secondary needs of the metropolitan region extending from St. Cloud to Rochester. The study should include consideration of at least the following: the current and projected demographic and participation trends; current level of services available; needs of traditional, nontraditional, and minority students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, cooperative efforts, and reciprocity agreements; effects of proposals on existing institutions, programs, and funding; and effects of proposals on existing institutional and system missions. The HECB shall review and comment on the study and report to the education divisions of the appropriations and finance committees by February 1, 1989.

(c) Quality Assessment

150,000

	1988	1989
(d) Minority Education Partnership		10,000

(e) Model Enterprise Development and Innovation Centers

The appropriation for fiscal year 1989 in Laws 1987, chapter 386, article 10, section 9, for the Job Skills Partnership is transferred to the Enterprise Development Partnership. This appropriation is to further develop and pilot test model enterprise development and innovation centers. Of this amount, \$200,000 is for increased funding of the current centers, \$250,000 is to develop a statewide network of rural and urban resources, and \$50,000 is for program administration and reporting.

(f) Regent Candidate Advisory Council	27,700
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Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

(a) Curriculum Restructuring	2,000,000
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The legislature intends that the board give priority in using this appropriation to institutes with declining enrollments. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget.

(b) Increased Enrollment	1,014,200
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An amount not to exceed this appropriation is for enrollment increases. This appropriation is based on an entitlement of \$1,193,200. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This

1988

1989

appropriation is based on estimated enrollments for 1989 of 40,548. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(c) State Council on Vocational Technical Education

75,000

This appropriation is added to the appropriation for the council in Laws 1987, chapter 401, section 3, subdivision 4.

(d) Services for Handicapped Students

630,000

This appropriation is for noninstructional expenditures.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

(a) Increased Enrollment

4,964,100

An amount not to exceed this appropriation is for enrollment increases. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 29,723. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(b) Instructional Equipment

1,273,000

The legislature estimates that \$1,900,000 is for instructional expenditures.

Sec. 5. STATE UNIVERSITY BOARD

	1988	1989
(a) Increased Enrollment		7,349,800

An amount not to exceed this appropriation is for enrollment increases. This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 50,112. If actual enrollments are lower than this estimate, the appropriation will be recalculated using actual enrollment figures. The legislature intends that the board give priority in this appropriation to the institutions with the greatest enrollment increases.

(b) Winona State Engineering

The \$500,000 appropriated in Laws 1987, chapter 401, section 5, subdivision 2, may be spent by the state university board for the Winona engineering school upon the legislature receiving a positive recommendation regarding program review from the HECB and documentation that \$250,000 of state funds have been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment and supplies necessary to the program, after consulting with the chairs of the education divisions of the finance and appropriations committees.

(c) Science and Technology Resource Center	525,000
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This appropriation is for noninstructional expenditures.

Sec. 6. REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Operations and Maintenance Noninstructional Expenditures	167,500
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1988

1989

(a) This appropriation is available to develop the delivery of graduate education programs to be offered in the greater Rochester area. The University is requested to prepare a report on short and long range plans for program development, faculty recruitment, availability and uses of adjunct faculty, estimates of costs for five years, and a timetable for establishment of graduate programs. To assist in these determinations, the regents shall establish a local advisory committee composed of persons, including representatives of the business community, who reside in the Rochester area and who have knowledge of, and interest in, graduate level education. The University shall report its findings to the education divisions of the appropriations and finance committees by February 1, 1989. The study must be submitted to the HECB for review and comment before its submission to the legislature.

(b) The regents are requested to employ persons qualified to provide the board with fiscal and policy information, oversight, and analysis on matters requiring the regents' attention or action. The staff should be independent from the University administration and should be responsible solely to the regents. The board shall report its action under this paragraph to the chairs of the education divisions of the senate finance and house appropriations committees by December 1, 1988.

(c) During the biennium, the regents are requested to provide \$300,000 previously committed by the president to the Duluth campus for scholarships or related activities.

(d) In allocating the University's central reserves, the regents are requested to be cognizant of the needs of the coordinate campuses.

Sec. 7. Minnesota Statutes 1987 Supplement, section 135A.04, is amended to read:

135A.04 [VARIABLE TUITION.]

The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. ~~In all systems that have a credit hour basis, tuition rates must be established on that basis and must not apply across a variable number of credits.~~ Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 8. Minnesota Statutes 1986, section 136.31, is amended by adding a subdivision to read:

Subd. 7. Except as provided in this subdivision, the board may irrevocably appropriate and use any money other than state appropriated money held by it to discharge or otherwise provide for the payment of the interest coming due on its outstanding revenue bonds until paid and of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under subdivision 6 with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract or law.

Sec. 9. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

Subd. 8. The state university board or a successor may issue additional revenue bonds under sections 136.31 to 136.38, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and to use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with the chairs of the house appropriations committee and the senate finance committee on the facilities to be financed by the bonds.

Sec. 10. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

Subd. 9. 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. However, if it is intended that the interest on the bonds be exempt from federal income taxes, an officer of the board shall certify for the board on the date of issue the facts, estimates, and circumstances that lead the officer reasonably to expect that the proceeds of the bonds and the facilities financed by them will not be used to cause the interest on the bonds to be subject to federal income taxes; the board may covenant and agree with the holders of the bonds that it will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that do or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the officers of the board shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent to comply may be appropriated by the board from the fund established by section 136.35.

Sec. 11. Minnesota Statutes 1986, section 136C.61, is amended by adding a subdivision to read:

Subd. 7. [MEETINGS.] Notwithstanding any law to the contrary, the joint board may hold meetings at any location convenient to the member districts and the public, whether or not that meeting site is located within the boundaries of a member district. The joint board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 12. [137.0229] [REGENT CANDIDATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT.] There is established a candidate advisory council for the board of regents of the University of Minnesota. The purpose of the advisory council is to assist the legislature in identifying qualified candidates for membership on the board of regents.

Subd. 2. [MEMBERSHIP.] The advisory council must be composed of 24 members, three of whom reside in each congressional district. One member from each congressional district must be appointed by the governor. One member from each congressional district must be appointed by the members of the house who represent that district. One member from each congressional district must be appointed by the members of the senate who represent that district. No more than two members from any congressional district shall belong to the same political party. Each member shall serve for a term of six years

and may serve one additional term. A vacancy shall be filled in the same manner as the original appointment. Members may be reimbursed for expenses according to section 15.059 but must not be compensated.

Subd. 3. [DUTIES.] The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, and provide to potential candidates a statement of the responsibilities and duties of a regent;

(2) establish a subcommittee for each congressional district, composed of the three advisory council members residing in the congressional district and other members appointed by the subcommittee, and encourage each subcommittee to identify qualified candidates within its congressional district;

(3) for each congressional district position on the board, identify and recruit, through the subcommittee established in clause (2), qualified candidates for the board of regents, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents; and

(4) for each at-large position on the board, including the student position, identify and recruit qualified candidates, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. [RECOMMENDATIONS.] At the time the legislature elects a regent, the advisory council shall recommend at least two qualified candidates to the relevant congressional delegation and the appropriate committees of the legislature. For a candidate required to reside in a congressional district, the advisory council shall recommend only a candidate recommended by the subcommittee. The legislature shall not be bound by these recommendations.

Subd. 5. [STAFF] The higher education coordinating board shall provide staff and support for the advisory council as necessary to discharge its responsibilities.

Sec. 13. [INITIAL TERMS.]

Notwithstanding section 12, subdivision 2, for the initial advisory council, one member appointed by each of the appointing authorities shall serve a two-year term, one member shall serve a four-year term, and one member shall serve a six-year term.

Sec. 14. [245A.17] [CHILD CARE PROVISIONS.]

As an alternative to licensing under rules for child care centers adopted by the department of human services, post-secondary institutions may submit a child care plan for approval by the commissioner of human services. The plan must show how the center can be operated safely for the benefit of the children.

Sec. 15. Laws 1983, chapter 334, section 7, as amended by Laws 1987, chapter 386, article 10, section 8, is amended to read:

Sec. 7. [REPEALER.]

Sections 116L.01; 116L.02; 116L.03, subdivisions 1, 2, 3, 4, 5, and 7; 116L.04; and 116L.05, 1, 2, 3, 4, 5, and 7 are repealed June 30 1989 1988.

Sec. 16. Laws 1987, chapter 401, section 2, subdivision 6, is amended to read:

Subd. 6. Income Contingent Loans

\$110,000	\$158,100
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This appropriation is for an income contingent loan repayment program to assist graduates of Minnesota schools in medical, dental, pharmacy, chiropractic medicine, public health, and veterinary medicine and Minnesota residents graduating from optometry and osteopathy programs in repaying their student debt by providing a repayment plan based on their annual income. The HECB shall study the possible inclusion of students in other academic programs including optometry and osteopathy and report its recommendations to the appropriations and finance committees by December 1, 1987. During the biennium, applicant data collected by the HECB for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to section 136A.162.

Sec. 17. [REGENT ACTION.]

The legislature requests that the board of regents of the University of Minnesota undertake the following actions to improve their management and accountability:

(1) establish a committee to plan for and oversee the needs and uses of the president's house;

(2) formally adopt policies for review of capital projects that specify when board approval is required, types and forms of information to be submitted to the board, and board procedures for cost overruns;

(3) develop an accurate and complete reporting system for capital projects in progress;

(4) establish policies that improve the control over the use of unrestricted funds, including specification of approval and reporting requirements; and

(5) establish procedures for accountability and ownership of assets funded by the University Foundation.

The board of regents shall report the actions taken under this section to the education divisions of the appropriations and finance committees by January 1, 1989.

Sec. 18. [PURPOSE.]

The legislature believes it is in the best interest of Minnesota to strengthen relationships between educational levels and sectors. To promote closer alliances and greater understanding between school districts and post-secondary education, the legislature intends to facilitate voluntary cooperative arrangements.

Sec. 19. [FACULTY EXCHANGE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A program of faculty exchange is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their staffs. These arrangements must be made on a voluntary, cooperative basis between the school district and the institution.

Subd. 2. [USES OF PROGRAM.] Each participating school district and post-secondary institution may determine the way in which the faculty member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system. A public school teacher might be used to teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary instructor might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future education plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and

may involve other groups including educational cooperative service units.

Subd. 3. [SALARIES, BENEFITS, CERTIFICATION.] Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. For this program, teacher certification requirements shall be waived for participating faculty. All arrangements and details regarding the exchange must be mutually agreed to by the school district and post-secondary institution before implementation.

Subd. 4. [PILOT PROGRAMS.] While these exchanges are voluntary, the legislature intends to maintain oversight to determine the benefits and problems of the program. For the 1988-1989 school year, proposals must be submitted to the education committee and education division of the appropriations committee of the house of representatives and the education committee and education division of the finance committee of the senate by July 1, 1988. These committees shall review the proposals and recommend those for pilot programs.

Sec. 20. [STUDENT SERVICES.]

The governing board of each public post-secondary system is requested to establish prices for goods and services sold through student services that approximate as nearly as possible the cost of providing quality goods and services.

Sec. 21. [COMMUNITY SERVICE.]

Each public post-secondary system shall review its curricula, especially in required courses in general education and departmental majors, to determine the current and future opportunities for incorporating community service components. Each system is encouraged to locate curricular areas in which the system can assist students to voluntarily pursue community service that is relevant to their studies. The systems shall report their findings and recommendations to the education divisions of the appropriations and finance committees by February 1, 1989.

Sec. 22. [LOANED EXECUTIVE ACTION PROGRAM (LEAP).]

Subdivision 1. [PUBLIC SYSTEMS; JOINTLY.] The governing boards of the public post-secondary systems are requested to jointly establish a Loaned Executive Action Program to encourage business executives in the private sector to study management issues within each system and to make recommendations to improve the management structures and processes of each. The heads of each system shall jointly report to the education divisions of the appropriations

and finance committees on the actions taken under this section by January 15, 1989.

Subd. 2. [CAMPUS BUDGET PROPOSALS.] A loaned executive working with the University of Minnesota should study the issue of preparing and presenting individual campus budget proposals to the board of regents.

Sec. 23. [CHILD CARE REPORTS.]

Each public post-secondary system shall assess the effects of recent child care legislation on the needs of post-secondary students. Each system shall report its assessment and recommendations to the education divisions of the finance and appropriations committees by January 15, 1989.

Sec. 24. [EFFECTIVE DATE.]

Section 2, subdivision 1, and section 19 are effective the day after their final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; 136.41, by adding subdivisions; and 136C.61, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 135A.04; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 137 and 245A."

The motion prevailed and the amendment was adopted.

Price moved to amend S. F. No. 2569, as amended, as follows:

Page 12, line 19, delete "For this" and insert "Notwithstanding sections 125.03, subdivision 1 and 136C.04, subdivision 9, teacher certification requirements are waived for faculty participating in this program. This shall not subject a participating district to the aid reduction under section 124.19, subdivision 3."

Page 12, delete line 20

Page 12, line 21, delete "participating faculty."

The motion prevailed and the amendment was adopted.

Gruenes; Frederick; Johnson, V.; Omann and Marsh moved to amend S. F. No. 2569, as amended, as follows:

Page 1, line 29, delete "20,556,300" and insert "20,537,300"

Page 1, line 29, delete "26,256,300" and insert "26,237,300"

Page 2, line 2, delete "2,557,700" and insert "4,007,700"

Page 2, line 2, delete "8,257,700" and insert "9,707,700"

Page 2, line 4, delete "3,719,200" in each column and insert "2,719,200"

Page 2, line 6, delete "6,237,100" in each column and insert "5,768,100"

Page 2, line 17, delete "2,100,000" and insert "3,600,000"

Page 2, after line 30, insert:

"\$1,800,000 in 1989 is for funding four full years of financial aid eligiibliity as provided in section 136A.121, subdivision 10. \$300,000 of the appropriation for fiscal year 1989 in Laws 1987, chapter 386, article 10, section 9, for the Jobs Skills Partnership, is transferred to the HECB for this purpose."

Page 3, line 15, delete "200,000" and insert "150,000"

Page 3, line 44, before "The" insert "\$200,000 of"

Page 3, line 51, delete "Of"

Page 3, delete lines 52 to 57

Page 4, line 2, delete "2,000,000" and insert "1,000,000"

Page 4, line 54, delete "1,273,000" and insert "804,000"

Page 4, line 56, delete "\$1,900,000" and insert "\$1,200,000"

A roll call was requested and properly seconded.

The question was taken on the Gruenes et al amendment and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 55 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Knickerbocker	Omann	Schreiber
Bennett	Frederick	Larsen	Onnen	Seaberg
Bishop	Frerichs	Marsh	Osthoff	Shaver
Blatz	Gruenes	McDonald	Pauly	Stanius
Burger	Gutknecht	McKasy	Pelowski	Sviggum
Carlson, D.	Hartle	McPherson	Poppenhagen	Swenson
Clausnitzer	Haukoos	Milbert	Quist	Thiede
Cooper	Heap	Miller	Redalen	Tjornhom
Dempsey	Himle	Nelson, D.	Richter	Tompkins
DeRaad	Hugoson	Olsen, S.	Rose	Valento
Dille	Johnson, V.	Olson, K.	Schafer	Waltman

Those who voted in the negative were:

Anderson, G.	Jaros	Lasley	Orenstein	Segal
Battaglia	Jefferson	Lieder	Otis	Skoglund
Beard	Jennings	Long	Pappas	Solberg
Begich	Johnson, A.	McEachern	Peterson	Sparby
Brown	Johnson, R.	McLaughlin	Price	Steensma
Carlson, L.	Kahn	Minne	Quinn	Trimble
Carruthers	Kalis	Munger	Reding	Tunheim
Clark	Kelly	Murphy	Rest	Vellenga
Dauner	Kelso	Nelson, C.	Rice	Voss
Dawkins	Kinkel	Nelson, K.	Riveness	Wagenius
DeBlicke	Kludt	Neuenschwander	Rodosovich	Welle
Dorn	Knuth	O'Connor	Rukavina	Wenzel
Greenfield	Kostohryz	Ogren	Sarna	Winter
Jacobs	Krueger	Olson, E.	Scheid	Wynia
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

S. F. No. 2569, A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter

401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

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.

Krueger 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.	Frerichs	Larsen	Orenstein	Segal
Anderson, R.	Greenfield	Lasley	Osthoff	Shaver
Battaglia	Gruenes	Lieder	Otis	Skoglund
Beard	Gutknecht	Long	Ozment	Solberg
Begich	Hartle	Marsh	Pappas	Sparby
Bennett	Haukoos	McDonald	Pauly	Stanius
Bishop	Heap	McEachern	Pelowski	Steenasma
Blatz	Himle	McKasy	Peterson	Sviggum
Boo	Hugoson	McLaughlin	Poppenhagen	Swenson
Brown	Jacobs	McPherson	Price	Thiede
Burger	Jaros	Milbert	Quinn	Tjornhom
Carlson, D.	Jefferson	Miller	Quist	Tompkins
Carlson, L.	Jennings	Minne	Redalen	Trimble
Carruthers	Johnson, A.	Munger	Reding	Tunheim
Clark	Johnson, R.	Murphy	Rest	Valento
Clausnitzer	Johnson, V.	Nelson, C.	Rice	Vellenga
Cooper	Kahn	Nelson, D.	Richter	Voss
Dauner	Kalis	Nelson, K.	Riveness	Wagenius
Dawkins	Kelly	Neuenschwander	Rodosovich	Waltman
DeBlieck	Kelso	O'Connor	Rose	Welle
Dempsey	Kinkel	Ogren	Rukavina	Wenzel
DeRaad	Kludt	Olsen, S.	Sarna	Winter
Dille	Knickerbocker	Olson, E.	Schafer	Wynia
Dorn	Knuth	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Kostohryz	Omann	Schreiber	
Frederick	Krueger	Onnen	Seaberg	

The bill was passed, as amended, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia from the Committee on Rules and Legislative Administration offered the following report and moved its adoption:

Be It Resolved that the report of the Select Committee on Ethics regarding Representative Kenneth J. Kludt be adopted and the

report and the letter addressed to the House by Representative Kludt be printed in the Journal of the House.

REPORT OF THE SELECT COMMITTEE ON ETHICS
TO THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

On February 19, 1988, the Committee on Rules and Legislative Administration, pursuant to the Minnesota Constitution, Article IV, Sections 6 and 7, enumerating the powers of the House "to judge the eligibility of, and to punish or expel members," adopted a motion calling on the Speaker of the House to appoint a Select Committee on Ethics. On February 22, 1988, the Speaker appointed the Select Committee: Dee Long (Chair), Robert Anderson, David Bishop, Sidney Pauly, Leo Reding, and Loren Solberg.

The Select Committee determined through its deliberations and through clarifying correspondence with the Speaker, that it was within its jurisdiction to investigate and make recommendations regarding the conviction of Representative Kenneth J. Kludt for his violation of Minnesota Statutes, section 609.324, subd. 3.

On March 9, 1988, the Select Committee adopted the following motion: "The Select Committee on Ethics [shall] hold a public hearing to consider such action as the Committee may find appropriate regarding the conviction of Representative Kenneth J. Kludt on December 14, 1987, for violation of Minnesota Statutes, section 609.324, subd. 3, and that Representative Kludt be notified of such hearing and be allowed to appear before the Committee."

The Committee further determined that the public hearing regarding Representative Kludt should be held March 16, 1988, and that Representatives Long and Bishop were to notify Representative Kludt of the Committee's action and hearing date. Immediately following the Committee meeting, Representative Kludt was informed of the Committee's action. He was requested to appear at the public hearing. The Chair of the Committee, Representative Long, presented Representative Kludt with a letter signed by her notifying him of the Committee's action.

Representative Kludt appeared before the Committee on March 16, 1988. Mr. Gerald Hendrickson, Chief Prosecutor for the St. Paul City Attorney's Office, also appeared. The Committee established the information contained in items one through four in its finding of fact and questioned Representative Kludt concerning the events surrounding his arrest and conviction.

Representative Long moved that the Select Committee find that Representative Kludt's behavior on June 25, 1987, was inappropriate and that Representative Kludt be required to submit a written apology to the House of Representatives. The motion further di-

rected staff to prepare a report of the Committee's actions to submit to the Committee on Rules and Legislative Administration. The Committee adopted this motion.

Representative Kludt indicated that he would comply with the Committee's motion and that he would furnish a copy of his apology for the Committee to review.

On March 17, 1988, Representative Long presented to the Committee a letter of apology which she had received from Representative Kludt. The letter was accepted by the Committee and was ordered to become part of its report.

The Committee also determined that the report, records and supporting documents should be delivered to the Chief Clerk for disposition in the manner prescribed by the House rule for standing committee records.

With respect to the case of Representative Kludt, the Select Committee makes the following findings of fact:

Findings of Fact

1. On June 25, 1987, a special session of the Minnesota House of Representatives in St. Paul was called by the Governor of Minnesota. Representative Kludt was in St. Paul for the purpose of attending the special session.

2. On June 25, 1987, at approximately 11:20 a.m., Representative Kludt was arrested by the St. Paul Police Department for a violation of Minnesota Statutes, section 609.324, subd. 3.

3. On August 6, 1987, Representative Kludt was charged in Ramsey County District Court with a violation of Minnesota Statutes, section 609.324, subd. 3.

4. On December 14, 1987, Representative Kludt was found guilty of a violation of Minnesota Statutes, section 609.324, subd. 3, a misdemeanor, in Ramsey County District Court, with imposition of sentence stayed for one year.

5. With two exceptions there are no rules of procedure for the discipline of Members of the House of Representatives whose conduct is unbecoming to one who holds this office. The two exceptions are the power of the House to punish its members for disorderly behavior and to expel a member as set forth in Article IV, Section 7; and, the provision in Article IV, Section 6 that requires that a Member be a qualified voter, which qualification is lost for conviction of a felony crime.

6. On March 17, 1988, Representative Kludt submitted a letter addressed to the House of Representatives apologizing for his actions on June 25, 1987. This letter of apology was accepted by the Select Committee and is attached to this report.

Based on the deliberations of the Select Committee on Ethics and its findings of fact, the Committee adopts the following conclusions and recommendations:

1. Representative Kludt's actions on June 25, 1987, were inappropriate and unbecoming for a member of the House of Representatives.

2. Representative Kludt's conduct and criminal conviction have adversely reflected upon the House of Representatives.

3. This Select Committee requires that Representative Kludt make a written apology to the House of Representatives.

4. Representative Kludt's apology, together with this report, shall be submitted to the Committee on Rules and Legislative Administration.

5. This Select Committee recommends that both Representative Kludt's apology and this report be entered into the Journal of the House.

Signed:

Dee Long, Chair
Robert Anderson
David Bishop

Sidney Pauly
Leo Reding
Loren Solberg

March 17, 1988

House of Representatives
State of Minnesota

I would like to apologize to each of you and to the collective body of the Minnesota House of Representatives for my inappropriate and illegal conduct on June 25, 1987, and for any embarrassment and shame I may have caused.

Being a member of the Minnesota House of Representatives is a great honor for me. My conduct should not be viewed as a reflection on your honor, just mine.

Thank you for your time and concern.

Sincerely,

Kenneth J. Kludt
State Representative

MINORITY REPORT

March 29, 1988

We, the undersigned, being a minority of the Committee on Rules and Legislative Administration, recommend that the following report of the Committee on Rules and Legislative Administration, regarding Representative Kenneth J. Kludt, be adopted:

"It is recommended that the report of the Select Committee on Ethics regarding Representative Kenneth J. Kludt be adopted and that the letter addressed to the House by Representative Kludt be printed in the Journal of the House; and

That it is further recommended that Representative Kenneth J. Kludt be divested of his responsibilities and titles as Vice-Chair of the House Judiciary Committee and Chair of the Subcommittee on Child Abuse/Child Protection and that the divestiture of these responsibilities and titles be reported in the Journal of the House."

With the recommendation that the report be adopted.

Signed:

Bill Schreiber
Paul M. Thiede
Donald J. Valento
Kathleen Blatz

Gerald Knickerbocker
John Himle
Elton Redalen

Schreiber moved that the Minority Report on the Select Committee on Ethics be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

The question was taken on the adoption of the Minority Report on the Select Committee on Ethics and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 40 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Blatz	Forsythe	Knickerbocker	Ozment	Shaver
Boo	Frederick	Marsh	Poppenhagen	Sviggum
Burger	Frerichs	McDonald	Quist	Swenson
Carlson, D.	Gruenes	McKasy	Redalen	Thiede
Clausnitzer	Heap	McPherson	Richter	Tjornhom
Dempsey	Himle	Miller	Schafer	Tompkins
DeRaad	Hugoson	Olsen, S.	Schreiber	Valento
Dille	Johnson, V.	Onnen	Seaberg	Waltman

Those who voted in the negative were:

Anderson, G.	Gutknecht	Lieder	Osthoff	Segal
Anderson, R.	Jacobs	Long	Otis	Skoglund
Battaglia	Jaros	McEachern	Pappas	Solberg
Beard	Jefferson	McLaughlin	Pauly	Sparby
Begich	Jennings	Milbert	Pelowski	Stanius
Bennett	Johnson, A.	Minne	Peterson	Steensma
Bishop	Johnson, R.	Munger	Price	Trimble
Brown	Kahn	Murphy	Quinn	Tunheim
Carlson, L.	Kalis	Nelson, C.	Reding	Vellenga
Carruthers	Kelly	Nelson, D.	Rest	Voss
Clark	Kelso	Nelson, K.	Rice	Wagenius
Cooper	Kinkel	Neuenschwander	Riveness	Welle
Dauner	Knuth	O'Connor	Rodosovich	Wenzel
Dawkins	Kostohryz	Ogren	Rose	Winter
DeBlick	Krueger	Olson, E.	Rukavina	Wynia
Dorn	Larsen	Olson, K.	Sarna	Spk. Vanasek
Greenfield	Lasley	Orenstein	Scheid	

The motion did not prevail.

The question recurred on the adoption of the report of the Select Committee on Ethics relating to the Kludt case. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2126:

Greenfield, Rodosovich, Murphy, Riveness and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2565:

Rice, Lieder, Sarna, Kalis and Seaberg.

SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Jefferson moved that the name of DeBlieck be stricken and the name of Simoneau be added as an author on H. F. No. 2250. The motion prevailed.

Winter moved that S. F. No. 2255 be recalled from the Committee on Taxes and together with H. F. No. 2297, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Clark moved that H. F. No. 2790 be returned to its author. The motion prevailed.

Price moved that H. F. No. 2459 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 30, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Wednesday, March 30, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives